

5 CLOSED  
STACKS



5/S

GOVERNMENT INFORMATION CENTER  
SAN FRANCISCO PUBLIC LIBRARY

SAN FRANCISCO  
PUBLIC LIBRARY

REFERENCE  
BOOK

*Not to be taken from the Library*

DEC 12 2000

SAN FRANCISCO PUBLIC LIBRARY



3 1223 05718 2074







# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

JAN 23 1994

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, JANUARY 11, 1994

12:00 NOON

Present:	Joseph D. Driscoll	President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Constance M. Hiatt	Commissioner
	Herb Meiberger	Commissioner
Absent:	Bonnie K. Gibson	Vice President
	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of December 14, 1993.

ACTION: Approved as Submitted.



# MINUTES

DOCUMENTS DEPT.

JAN 2 1904

SAN FRANCISCO  
PUBLIC LIBRARY

CITY AND COUNTY OF SAN FRANCISCO  
COMMISSIONERS OF THE BOARD OF SUPERVISORS

RESOLUTIONS AND ORDINANCES

THURSDAY, JANUARY 14, 1904

1200 HOURS

Present	George A. Jones	Mayor
Present	John G. Kelly	
Present	William H. Hall	
Present	Charles H. Hall	
Present	John H. Hall	
Present	Charles H. Hall	
Present	John H. Hall	
Present	Charles H. Hall	
Present	John H. Hall	
Present	Charles H. Hall	

Charles H. Hall  
Secretary

John H. Hall

MINUTES of the Board of Supervisors of the City and County of San Francisco, January 14, 1904

Approved by the Board of Supervisors

## RETIREMENT BOARD

### REGULAR MEETING

### PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. Ms. Jean Thomas, representing the Local 21 Retiree Association, addressed the Board regarding social policy investments.

### REGULAR CALENDAR

#### 1. ACTUARIAL VALUATION - FINAL REPORT

Kieran Murphy, Actuary, and Towers and Perrin presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Meiberger to adopt the actuarial valuation - final report; motion passed 5-0.

#### 2. STATUTE OF LIMITATION - REPORT AND RECOMMENDATION

Maria Newport, Administrator, Retirement Services, and Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Ashe, seconded by Meiberger to moved to table pending additional information from the City Attorney; motion passed 5-0.

#### 3. HISTORICALLY DISADVANTAGED BUSINESSES REPORT

Norm Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Driscoll to adopt the historically disadvantaged businesses report; motion failed 2-3 (Ashe, Breall, Meiberger). The Board will provide additional clarification and direction at the January 25, 1994 Board meeting.

4. RECONSIDERATION OF REQUEST FOR DISMISSAL OF APPLICATION FOR ALLOWANCE - DEATH AS A RESULT OF DUTY - MITCHELL L. MIGNOLA (JOSEPH MIGNOLA, III - DECEASED)

Norm Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Breall to accept the reconsideration of request for dismissal of application for allowance - death as a result of duty - Mitchell L. Mignola (Joseph Mignola, III - deceased); motion passed 5-0.

5. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER, TO ATTEND THE REAL ESTATE INVESTMENTS FOR PENSION FUNDS TO BE HELD ON JANUARY 22-26, 1994 IN SAN FRANCISCO, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Breall to approve the request for authorization for Peter Ashe, Board member, to attend the Real Estate Investments for Pension Funds to be held on January 22-26, 1994 in San Francisco, CA; motion passed 5-0.

6. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER TO ATTEND THE COUNCIL OF INSTITUTIONAL INVESTOR'S EXECUTIVE COMMITTEE MEETING TO BE HELD ON JANUARY 26-27, 1994 IN WASHINGTON, D.C.

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Breall to approve the request for authorization for Peter Ashe, Board member to attend the Council of Institutional Investor's Executive Committee Meeting to be held on January 26-27, 1994 in Washington, D.C.; motion passed 5-0.

7. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER TO ATTEND THE INSTITUTIONAL REAL ESTATE LETTER'S EDITORIAL BOARD MEETING TO BE HELD ON JANUARY 27-28, 1994 IN NAPA VALLEY, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Breall to approve the request for authorization for Peter Ashe, Board member to attend the Institutional Real Estate Letter's Editorial Board Meeting to be held on January 27-28, 1994 in Napa Valley, CA; motion passed 5-0.

8. REQUEST FOR AUTHORIZATION FOR BOARD MEMBERS AND STAFF TO ATTEND THE CALLAN INVESTMENTS INSTITUTE'S FOURTEENTH ANNUAL NATIONAL CONFERENCE TO BE HELD ON FEBRUARY 7-9, 1994 IN SAN FRANCISCO, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Ashe, seconded by Breall to approve the request for Board members and staff to attend the Callan Investments Institute's Fourteenth Annual National Conference to be held on February 7-9, 1994 in San Francisco, CA; motion passed 5-0.



9. REQUEST FOR AUTHORIZATION FOR CAROLYN HAMILTON TO ATTEND THE INVESTING WORLDWIDE CONFERENCE TO BE HELD ON FEBRUARY 13-15, 1994 IN RANCHO MIRAGE, CA AND CONDUCT AN ON-SITE DUE DILIGENCE VISIT WITH CAPITAL GUARDIAN TRUST COMPANY ON FEBRUARY 16, 1994 IN LOS ANGELES, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Ashe, seconded by Breall to approve the request for authorization for Carolyn Hamilton to attend the Investing Worldwide Conference to be held on February 13-15, 1994 in Rancho Mirage, CA and conduct an on-site due diligence visit with Capital Guardian Trust Company on February 16, 1994 in Los Angeles, CA; motion passed 5-0.

## INVESTMENT CALENDAR

1. MULTI-COMPANY PROXY ISSUES REPORT/SOCIAL POLICY ISSUES

Kenneth Shaffer, Chief Investment Officer and Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Ashe to adopt staff recommendation; motion passed 5-0.

2. REPORT ON ANNUAL MANAGER INVESTMENT PLANS FOR AMB INSTITUTIONAL REALTY ADVISORS, INC. AND REEF AMERICA PARTNERS

Terry Ahern of The Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

- b. Kenneth L. Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of December, 1993.

This was an information item only; no action was taken.

**CONSENT CALENDAR**

The following items were presented:

1. a. VOLUNTARY RETIREMENT BOARD LIST NO. 12-93

- b. VOLUNTARY RETIREMENT BOARD LIST NO. 13-93

2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE: MARA MCMURTRY

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

- a. Lawrence Davis (Deceased) \$ 50,000.00

- b. Helen Menko \$ 4,400.00

- c. Elizabeth West \$ 22,437.00

4. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

- a. Arthur Huie \$ 3,361.70

- b. David Kucia \$ 3,934.12

- c. Roy Ramos \$ 6,370.39

- d. Michael Regalia \$ 8,681.54

- e. Armando San Jose \$ 3,000.00

5. HEARING OFFICER DECISION

- a. Asuncion F. Barrios  
1426 Sr. Clerk Typist - Social Services Department  
Ordinary Retirement Disability  
Effective Date: June 1, 1993  
Granted
- b. Kenneth B. Blood  
7278 Painter Supervisor II - Public Works  
Ordinary Retirement Disability  
Effective Date: July 24, 1993  
Granted
- c. Joel Ford  
8207 Building and Ground Patrol Officer - Police Department  
Ordinary Retirement Disability  
Effective Date: July 1, 1993  
Granted
- d. Francis G. Loughran  
H-30 Captain - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective Date: September 11, 1993  
Granted
- e. Alexandar Markel  
H-2 Firefighter - Fire Department  
Determination  
Effective Date: October 27, 1992 to May 12, 1993  
Granted
- f. Norvella Marzette  
2672 Assistant Houseparent - Unified School District  
Ordinary Retirement Disability  
Effective Date: May 19, 1993  
Granted
- g. Alvan R. Meyerowitz  
1768 Technical Instructor Assistant - Community College  
Ordinary Retirement Disability  
Effective Date: August 7, 1993  
Granted
- h. John S. Milosh  
2907 Eligibility Worker Supervisor - Social Services Department  
Ordinary Retirement Disability  
Effective Date: June 1, 1993  
Granted

- i. T.A. Schlink  
Q-2 Police Officer - Police Department  
Determination Denied
  
- j. Gerald P. Smith  
3632 Librarian II - Fine Arts Museum  
Ordinary Retirement Disability  
Effective Date: October 30, 1993 Granted
  
- k. Oliver C. Storti  
H-50 Assistant Chief - Fire Department  
Industrial Disability Retirement Denied
  
- l. George J. Tusch  
7250 Utility Plumber Supervisor I - Public Utilities Commission/Water  
Ordinary Retirement Disability/Stipulation  
Effective Date: June 26, 1993 Granted
  
- m. John H. Vann  
7379 Electrical Transit Mechanic - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: June 15, 1993 Granted

6. PETITION FOR REHEARING

- a. Alan McPheters  
Q-2 Police Officer - Police Department  
Determination Denied
  
- b. Richard Wasserman  
8204 Institutional Police Officer - Public Health\Laguna Honda Hospital  
PERS Denied

7. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Joanne M. Gregory
  
- b. Robert Haugen
  
- c. Helen E. Jones
  
- d. Kenneth Sheffield & Karol Sheffield

8. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF DECEMBER 14, 1993

- ACTION:**
1. It was moved by Breall, seconded by Meiberger to approve the Consent Calendar item nos. 1-7, item 3a was withdrawn at the request of staff; motion passed 5-0.
  2. It was moved by Meiberger, seconded by Breall to approve the Consent Calendar item no. 8; motion passed 4-1 (Hiatt).

### **GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. A report was presented on recently issued travel and official business expense regulations.
2. Update on Facilitated Board/Staff meeting scheduled for February 12, 1994.
3. Update on Educational Opportunities.
4. Review of the provisions of the Sunshine Ordinance.
5. Report on meetings regarding Workers' Compensation and the implementation of Proposition "L".
6. Discussion of rescheduling the March 29, 1994 Board meeting to March 22, 1994 due to Board member conflicts.

### **ACTUARY'S REPORT**

Kieran Murphy, Actuary, discussed the informational items, including a planned continuation of the actuarial audit.

### **CITY ATTORNEY'S REPORT**

No report was made.



## BOARD MEMBERS

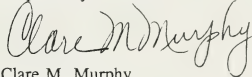
Commissioner Ashe requested a report from the City Attorney regarding the possibility of holding closed meetings under the provisions of Constitutional Amendment 162 and requested a report on pension obligation bonds.

President Driscoll requested the Actuary and Chief Investment Officer to review the current asset allocation plan with Callan and Associates.

Commissioner Meiberger requested that convertible mortgages be calendared for discussion at the January 25, 1994 Board meeting and discussed the 1992-93 Annual Report.

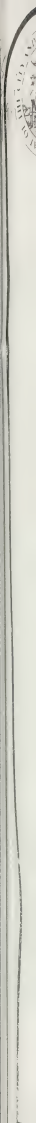
There being no further business, the Board adjourned its regular meeting at 4:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Clare M. Murphy". The signature is written in dark ink and is positioned above the printed name and title.

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

TUESDAY, JANUARY 25, 1994

12:00 NOON

Present:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Constance M. Hiatt	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of January 11, 1994.

ACTION: Approved as Submitted. Commissioner Meiberger voted in the negative; Commissioner Gibson abstained.

# REPORT

Page 1

1. Introduction

2. Methodology

3. Results

4. Discussion

5. Conclusion

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Q1	10	12	15	18	20	22	25	28	30	32	35
Q2	15	18	20	22	25	28	30	32	35	38	40
Q3	20	22	25	28	30	32	35	38	40	42	45
Q4	25	28	30	32	35	38	40	42	45	48	50
Q5	30	32	35	38	40	42	45	48	50	52	55
Q6	35	38	40	42	45	48	50	52	55	58	60
Q7	40	42	45	48	50	52	55	58	60	62	65
Q8	45	48	50	52	55	58	60	62	65	68	70
Q9	50	52	55	58	60	62	65	68	70	72	75
Q10	55	58	60	62	65	68	70	72	75	78	80
Q11	60	62	65	68	70	72	75	78	80	82	85
Q12	65	68	70	72	75	78	80	82	85	88	90
Q13	70	72	75	78	80	82	85	88	90	92	95
Q14	75	78	80	82	85	88	90	92	95	98	100
Q15	80	82	85	88	90	92	95	98	100	102	105
Q16	85	88	90	92	95	98	100	102	105	108	110
Q17	90	92	95	98	100	102	105	108	110	112	115
Q18	95	98	100	102	105	108	110	112	115	118	120
Q19	100	102	105	108	110	112	115	118	120	122	125
Q20	105	108	110	112	115	118	120	122	125	128	130
Q21	110	112	115	118	120	122	125	128	130	132	135
Q22	115	118	120	122	125	128	130	132	135	138	140
Q23	120	122	125	128	130	132	135	138	140	142	145
Q24	125	128	130	132	135	138	140	142	145	148	150
Q25	130	132	135	138	140	142	145	148	150	152	155
Q26	135	138	140	142	145	148	150	152	155	158	160
Q27	140	142	145	148	150	152	155	158	160	162	165
Q28	145	148	150	152	155	158	160	162	165	168	170
Q29	150	152	155	158	160	162	165	168	170	172	175
Q30	155	158	160	162	165	168	170	172	175	178	180
Q31	160	162	165	168	170	172	175	178	180	182	185
Q32	165	168	170	172	175	178	180	182	185	188	190
Q33	170	172	175	178	180	182	185	188	190	192	195
Q34	175	178	180	182	185	188	190	192	195	198	200
Q35	180	182	185	188	190	192	195	198	200	202	205
Q36	185	188	190	192	195	198	200	202	205	208	210
Q37	190	192	195	198	200	202	205	208	210	212	215
Q38	195	198	200	202	205	208	210	212	215	218	220
Q39	200	202	205	208	210	212	215	218	220	222	225
Q40	205	208	210	212	215	218	220	222	225	228	230
Q41	210	212	215	218	220	222	225	228	230	232	235
Q42	215	218	220	222	225	228	230	232	235	238	240
Q43	220	222	225	228	230	232	235	238	240	242	245
Q44	225	228	230	232	235	238	240	242	245	248	250
Q45	230	232	235	238	240	242	245	248	250	252	255
Q46	235	238	240	242	245	248	250	252	255	258	260
Q47	240	242	245	248	250	252	255	258	260	262	265
Q48	245	248	250	252	255	258	260	262	265	268	270
Q49	250	252	255	258	260	262	265	268	270	272	275
Q50	255	258	260	262	265	268	270	272	275	278	280
Q51	260	262	265	268	270	272	275	278	280	282	285
Q52	265	268	270	272	275	278	280	282	285	288	290
Q53	270	272	275	278	280	282	285	288	290	292	295
Q54	275	278	280	282	285	288	290	292	295	298	300
Q55	280	282	285	288	290	292	295	298	300	302	305
Q56	285	288	290	292	295	298	300	302	305	308	310
Q57	290	292	295	298	300	302	305	308	310	312	315
Q58	295	298	300	302	305	308	310	312	315	318	320
Q59	300	302	305	308	310	312	315	318	320	322	325
Q60	305	308	310	312	315	318	320	322	325	328	330
Q61	310	312	315	318	320	322	325	328	330	332	335
Q62	315	318	320	322	325	328	330	332	335	338	340
Q63	320	322	325	328	330	332	335	338	340	342	345
Q64	325	328	330	332	335	338	340	342	345	348	350
Q65	330	332	335	338	340	342	345	348	350	352	355
Q66	335	338	340	342	345	348	350	352	355	358	360
Q67	340	342	345	348	350	352	355	358	360	362	365
Q68	345	348	350	352	355	358	360	362	365	368	370
Q69	350	352	355	358	360	362	365	368	370	372	375
Q70	355	358	360	362	365	368	370	372	375	378	380
Q71	360	362	365	368	370	372	375	378	380	382	385
Q72	365	368	370	372	375	378	380	382	385	388	390
Q73	370	372	375	378	380	382	385	388	390	392	395
Q74	375	378	380	382	385	388	390	392	395	398	400
Q75	380	382	385	388	390	392	395	398	400	402	405
Q76	385	388	390	392	395	398	400	402	405	408	410
Q77	390	392	395	398	400	402	405	408	410	412	415
Q78	395	398	400	402	405	408	410	412	415	418	420
Q79	400	402	405	408	410	412	415	418	420	422	425
Q80	405	408	410	412	415	418	420	422	425	428	430
Q81	410	412	415	418	420	422	425	428	430	432	435
Q82	415	418	420	422	425	428	430	432	435	438	440
Q83	420	422	425	428	430	432	435	438	440	442	445
Q84	425	428	430	432	435	438	440	442	445	448	450
Q85	430	432	435	438	440	442	445	448	450	452	455
Q86	435	438	440	442	445	448	450	452	455	458	460
Q87	440	442	445	448	450	452	455	458	460	462	465
Q88	445	448	450	452	455	458	460	462	465	468	470
Q89	450	452	455	458	460	462	465	468	470	472	475
Q90	455	458	460	462	465	468	470	472	475	478	480
Q91	460	462	465	468	470	472	475	478	480	482	485
Q92	465	468	470	472	475	478	480	482	485	488	490
Q93	470	472	475	478	480	482	485	488	490	492	495
Q94	475	478	480	482	485	488	490	492	495	498	500
Q95	480	482	485	488	490	492	495	498	500	502	505
Q96	485	488	490	492	495	498	500	502	505	508	510
Q97	490	492	495	498	500	502	505	508	510	512	515
Q98	495	498	500	502	505	508	510	512	515	518	520
Q99	500	502	505	508	510	512	515	518	520	522	525
Q100	505	508	510	512	515	518	520	522	525	528	530

5. Conclusion

6. References

7. Appendix

8. Notes

9. Acknowledgments

10. Contact Information

## RETIREMENT BOARD

### REGULAR MEETING

### CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., and the *Sunshine Act*, San Francisco Administrative Code Section 67.10, the Retirement Board met in closed session to discuss the interim evaluation of Clare M. Murphy, General Manager.

### PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. No comment were made at this time.

### REGULAR CALENDAR

#### 1. UNFINISHED BUSINESS LIST

Clare Murphy, General Manager, and Norm Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Ashe, seconded by Meiberger to adopt the staff report; motion passed 6-0.

#### 2. REPORT ON SUNSHINE ORDINANCE IMPLEMENTATION

Dan Maguire, Deputy City Attorney, presented an oral report to the Board on this item. Ms. Judith Knecht and Ms. Jean Thomas addressed the Board regarding this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.



3. RESCHEDULE RETIREMENT BOARD MEETING OF MARCH 29, 1994 TO MARCH 22, 1994

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt to approve the rescheduling of the Board meeting of March 29, 1994 to March 22, 1994; motion passed 6-0.

4. STATUTE OF LIMITATION - REPORT AND RECOMMENDATION

Dan Maguire, Deputy City Attorney, presented an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Gibson, seconded by Breall to adopt the recommended staff motion; motion passed 6-0.

5. REQUEST FOR AUTHORIZATION FOR CONSTANCE HIATT, BOARD MEMBER, TO ATTEND THE NCPERS 1994 LEGISLATIVE WORKSHOP TO BE HELD ON FEBRUARY 7-9, 1994 IN WASHINGTON, D.C.

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Ashe, seconded by Gibson to approve the request for authorization for Constance Hiatt, Board member, to attend the NCPERS 1994 Legislative Workshop to be held on February 7-9, 1994 in Washington, D.C.; motion passed 6-0.

6. REQUEST FOR AUTHORIZATION FOR BOARD MEMBERS AND STAFF TO ATTEND THE 1994 CALAPRS GENERAL ASSEMBLY TO BE HELD ON MARCH 27-28, 1994 IN ANAHEIM, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this

item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Ashe, seconded by Meiberger to approve the request for authorization for Board members and staff to attend the 1994 CALAPRS General Assembly to be held on March 27-28, 1994 in Anaheim, CA; motion passed 6-0.

7. REQUEST FOR AUTHORIZATION FOR BOARD MEMBERS AND STAFF TO ATTEND THE CALAPRS SEMINARS "PUBLIC RETIREMENT PLANS - LEGAL AND TAX ISSUES" TO BE HELD ON MARCH 29-30, 1994 IN ANAHEIM, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Ashe, seconded by Meiberger to approve the request for authorization for Board members and staff to attend the CALAPRS Seminars "Public Retirement Plans - Legal and Tax Issues" to be held on March 29-30, 1994 in Anaheim, CA; motion passed 6-0.

8. REQUEST FOR AUTHORIZATION FOR GARY HIATT TO CONDUCT ON-SITE DUE DILIGENCE ON SEVERAL PROSPECTIVE ALTERNATIVE INVESTMENTS IN NEW YORK WITH DATES TO BE DETERMINED IN FEBRUARY, 1994

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Ashe, seconded by Meiberger to approve the request for Gary Hiatt to conduct on-site due diligence on several prospective alternative investments in New York with dates to be determined in February, 1994; motion passed 6-0.

## INVESTMENT CALENDAR

### 1. INTERNATIONAL EQUITY REVIEW CONTINUATION

Carolyn Hamilton, Portfolio Manager, and Barry Dennis and Ann DeLuce of Callan Associates, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

### 2. REPORT ON ANNUAL MANAGER INVESTMENT PLANS FOR AMB INSTITUTIONAL REALTY ADVISORS, INC. AND RREEF AMERICA PARTNERS

Terry Ahern of The Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

### 3. REPORT ON METRIC REALTY ADVISORS ORGANIZATIONAL CHANGE

Frank Blaschka of The Townsend Group presented an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

### 4. REVIEW OF SOFT DOLLARS AND DIRECTED BROKERAGE

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item. Seth Lynn of Axe-Houghton addressed the Board regarding this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Investment Portfolio: Recent Developments and Updates - Discussion Only

No report was made.

c. Kenneth L. Shaffer, Chief Investment Officer, reported on update on alternative investments for the next quarter.

d. Mr. Shaffer reported on major projects targeted for 1994.

This was an information item only; no action was taken.

### CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 14-93

2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE - MARY NEMETZ

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a. Joan Dutton \$ 35,000

b. Philip J. Lee \$ 53,992.05

4. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a. Ronald Crivello \$ 1,316.66

b. Edward Ellestad \$ 22,000.00

c. Jose Uribe \$ 12,500.00

d. Oscar Wooten \$ 1,000.00

5. DECISION OF HEARING OFFICER

William M. Boyd  
9211 Airport Police Sergeant - Airport Commission  
PERS  
Effective Date: March 1, 1990

Granted

6. PETITION FOR REHEARING

a. Michael R. O'Brien  
(Susan M. O'Brien - widow)  
Q-2 Police Officer - Police Department  
Allowance - Death as a Result of Duty

Denied

b. Michael J. Williams  
8180 Principal Attorney - District Attorney  
Ordinary Retirement Disability

Denied

**ACTION:** It was moved by Breall, seconded by Ashe to approve the Consent Calendar; motion passed 6-0.

### GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Update report on Proposition L implementation discussions.
2. Prospective Retirement Board meeting schedule and topics.
3. Update on budget.
4. Update on Budget Analyst report.
5. Pension obligation bonds preliminary report.
6. Update on Facilitated Board/Staff Session.
7. Announcement of the 4331 Security Analyst position.

### ACTUARY'S REPORT

No report was made.



## CITY ATTORNEY'S REPORT

Dan Maguire, Deputy City Attorney, discussed Proposition "R" and the February 12, 1994 Planning Session.

### BOARD MEMBERS

Commissioner Meiberger discussed commercial mortgages.

President Driscoll and Commissioner Meiberger discussed the staff report on historically disadvantaged businesses.

President Driscoll reported that pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., and the *Sunshine Act*, San Francisco Administrative Code Section 67.10, the Retirement Board met in closed session to discuss a personnel evaluation and a matter subject to litigation.

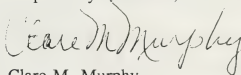
### CLOSED SESSION

(Continuation)

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., and the *Sunshine Act*, San Francisco Administrative Code Section 67.10, the Retirement Board met in closed session to discuss the interim evaluation of Clare M. Murphy, General Manager and a matter subject to litigation.

There being no further business, at the request of Commissioner Meiberger, the Board adjourned its regular meeting in memory of Irving Flamm, a retiree who recently died at the age of 101, at 8:00 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.



MEMORANDUM

January 26, 1994

DOCUMENTS DEPT.

JAN 28 1994

SAN FRANCISCO  
PUBLIC LIBRARY

To: The Retirement Board

From: Clare M. Murphy  
General Manager*Clare M. Murphy*Subject: **PROSPECTIVE RETIREMENT BOARD MEETING SCHEDULE AND TOPICS**

DATE	TIME	TENTATIVE TOPICS
02/08/94	12:00 noon	<b>Regular Meeting</b> Retirement System Budget for FY 94-95 Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation Multi-Company Proxy Issue Report/Corporate Governance
02/12/94	8:30 a.m.	<b>Special Meeting</b> Facilitated Board/Staff Planning Session
02/22/94	12:00 noon	<b>Regular Meeting</b> Unfinished Business List Review of the Statement of Economic Interest Reporting Requirements Review and Approval of Annual Manager Investment Plans for AMB Institutional Realty Advisors, Inc. and RREEF America Partners Callan Associates Presentation External Manager Presentation
03/08/94	12:00 noon	<b>Regular Meeting</b> Election of Officers Cost of Living Allowance for Retirees Quarterly Report on International Investments International Equity Manager Structure

DATE	TIME	TENTATIVE TOPICS
03/22/94	12:00 noon	<b>Regular Meeting</b> Unfinished Business List Real Estate Manager Presentation Quarterly Report on Real Estate Performance Alternative Asset Presentation Report on Mortgages Report on Convertible Bonds
04/12/94	12:00 noon	<b>Regular Meeting</b> Domestic Fixed Income Tri-Annual Report
04/26/94	12:00 noon	<b>Regular Meeting</b> Unfinished Business List
05/10/94	12:00 noon	<b>Regular Meeting</b> Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation
05/31/94	12:00 noon	<b>Regular Meeting</b> Unfinished Business List St. Francis Hospital Contract Renewal Reviewco Bill Review/PPO Contract Renewal Actuarial Contracts Callan Associates Presentation External Manager Presentation Alternative Investment Semi-Annual Report

C:\WPFILE\BOARD\SCHEDULE\FORWARD



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

TUESDAY, FEBRUARY 8, 1994

12:00 NOON

Present:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Herb Meiberg	Commissioner
Absent:	Angela Alioto	Supervisor
	Constance M. Hiatt	Commissioner

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of January 25, 1994.

ACTION: Approved as Submitted.

DOCUMENTS DEPT.  
FEB 2 1994  
SAN FRANCISCO  
PUBLIC LIBRARY



## RETIREMENT BOARD

### REGULAR MEETING

#### PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. No comment were made at this time.

#### REGULAR CALENDAR

##### 1. PROPOSED RETIREMENT SYSTEM BUDGET FOR FY 1994-95

Clare Murphy, General Manager, Brian Narlock, Division Manager, Workers' Compensation, Bob Parmelee, Chief Accountant, and Linda Richards, Information Systems Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

- ACTION:**
1. It was moved by Meiberger, seconded by Ashe to defer consideration of the Retirement ISD/Controller and related personnel expenses to the February 22, 1994 Board meeting; motion passed 5-0.
  2. It was moved by Breall, seconded by Gibson to approve the Retirement System Budget as amended; motion passed 5-0.
  3. It was moved by Breall, seconded by Ashe to approve the Workers' Compensation Budget; motion passed 5-0.

##### 2. RECORDING PROCEEDINGS OF FEBRUARY 12, 1994 BOARD/STAFF FACILITATED EVENT

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.



**ACTION:** It was moved by Breall, seconded by Ashe to waive the Resolution No. 50 requirement for court reporter transcription of the February 12, 1994 meeting; motion passed 5-0.

3. CHARTER AMENDMENTS FOR POSSIBLE SUBMISSION TO JUNE 1994 BALLOT

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

4. REQUEST FOR AUTHORIZATION FOR BOARD MEMBERS AND KENNETH SHAFFER TO ATTEND THE BRINSON PARTNERS GLOBAL PORTFOLIO MANAGEMENT CONFERENCE TO BE HELD ON MARCH 9-12, 1994 IN RANCHO MIRAGE, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to approve the request for authorization for Board members and Kenneth Shaffer to attend the Brinson Partners Global Portfolio Management Conference to be held on March 9-12, 1994 in Rancho Mirage, CA; motion passed 5-0.

5. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER TO ATTEND THE METRIC APARTMENT SEMINAR TO BE HELD ON FEBRUARY 19-22, 1994 IN LA QUINTA, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Gibson to approve the request for authorization for Peter Ashe, Board member to attend the Metric Apartment Seminar to be held on February 19-22, 1994 in La Quinta, CA; motion passed 5-0.

## INVESTMENT CALENDAR

1. ALTERNATIVE INVESTMENT RECOMMENDATION: BATTERY VENTURES III, L.P.

Alicia Cooney of Lewis, Bailey Associates and Gary Hiatt, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Ashe to accept staff recommendation to commit \$10 million to Battery Ventures III, L.P.; motion passed 5-0.

2. ALTERNATIVE INVESTMENT RECOMMENDATION: TPG PARTNERS, L.P.

Alicia Cooney of Lewis, Bailey Associates and Gary Hiatt, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** 1. It was moved by Driscoll, seconded by Meiberger to increase recommended commitment from \$25 to \$30 million; motion passed 5-0.

2. It was moved by Ashe, seconded by Meiberger to accept staff recommendation, as amended, to commit \$30 million to TPG Partners, L.P.; motion passed 5-0.

3. REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED DECEMBER 31, 1993

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was information item only; no action was taken.

4. REVIEW OF THE DOMESTIC FIXED INCOME PERFORMANCE FOR THE PERIOD ENDED DECEMBER 31, 1993

Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. REVIEW OF THE DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED DECEMBER 31, 1993

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

6. STAFF RECOMMENDATION ON ASSET ALLOCATION FOR THE QUARTER ENDING APRIL 30, 1994

Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Gibson to accept staff recommendation; motion passed 5-0.

7. MULTI-COMPANY PROXY ISSUE REPORT/CORPORATE GOVERNANCE

Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Gibson to adopt staff recommendation; motion passed 5-0.

8. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Investment Portfolio: Recent Developments and Updates - Discussion Only

This was an information item only; no action was taken.

### CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 15-93

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Althea Cagler	\$ 5,000.00
b.	Elizabeth Cagnacci	\$ 16,000.00
c.	Arturo Encabo	\$ 4,000.00
d.	Mary B. Vanaria	\$ 21,000.00
e.	Gwendolyn Williams	\$ 32,000.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Philip Adams	\$ 7,500.00
b.	Anthony K. Chan	\$ 1,370.72
c.	Charles Figone	\$ 2,188.77
d.	James O. Sims	\$ 2,001.00

e. Norma Stone \$ 13,250.00

4. DECISION OF HEARING OFFICER

- a. Uranie Y. Fung  
0681 Judicial Clerk - Superior Court  
Ordinary Retirement Disability  
Effective Date: August 1, 1993  
Granted
- b. Martha H. George-Taylor  
9139 Transit Supervisor I - Public Utilities Commission/MUNI  
Ordinary Retirement Disability\Proposition A  
Effective Date: February 1, 1992  
Granted
- c. Ronald Johnson  
1404 Clerk - Public Health/San Francisco General Hospital  
Ordinary Retirement Disability  
Denied
- d. Richard Kaplan  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: April 8, 1993  
Granted
- e. Robert Miller  
Q-2 Police Officer - Police Department  
Ordinary Retirement Disability  
Effective Date: January 1, 1994  
Granted
- f. George Newkirk  
9142 Transit Manager III - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: October 30, 1993  
Granted

**ACTION:** It was moved by Breall, seconded by Ashe to approve the Consent Calendar; motion passed 5-0.

### GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Ms. Murphy discussed recent meetings regarding the implementation of Proposition L

2. Update on the Budget Analyst Report on the Workers' Compensation Division
3. Update on the February 12, 1994 Board/Staff Facilitated Planning Session
4. Closed sessions to consider personnel evaluations will be held at the February 22 and March 22, 1994 Board meetings.

**ACTION:** It was moved by Meiberger, seconded by Ashe to request a transcript of the General Manager's Report - Item No. 2 only; motion passed 5-0.

### **ACTUARY'S REPORT**

Kieran Murphy, Actuary, discussed the draft response to an article appearing in a recent Police Officers' Association Newsletter.

### **CITY ATTORNEY'S REPORT**

No report was made.

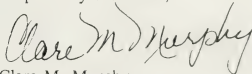
### **BOARD MEMBERS**

Commissioner Ashe reported on a recent conference and discussed proposals regarding Corporate Governance.

The Board engaged in a discussion of Board Rule No. 50 and procedures for responding to public information requests.

There being no further business, the Board adjourned its regular meeting at 7:15 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

**Note:** A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.







# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

SAN FRANCISCO  
PUBLIC LIBRARY

SATURDAY, FEBRUARY 12, 1994

8:30 A.M.

Present:

Joseph D. Driscoll

President

Bonnie K. Gibson

Vice President

Peter D. Ashe

Commissioner

William Breall, M.D.

Commissioner

Constance M. Hiatt

Commissioner

Herb Meiberger

Commissioner

Absent:

Angela Alioto

Supervisor

Clare M. Murphy

General Manager  
Retirement System

NOTE:

CHANGE OF VENUE:

KPMG PEAT MARWICK TRAINING CENTER  
3 EMBARCADERO CENTER, 19TH FLOOR  
SAN FRANCISCO, CA



## RETIREMENT BOARD

### SPECIAL MEETING

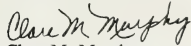
#### 1. FACILITATED BOARD/STAFF PLANNING SESSION

Marilyn Snider, Facilitator, and Jayne Becker, Recorder, conducted a facilitated Board/staff planning meeting.

The Board and staff agreed on a work plan to be distributed under separate cover.

There being no further business, the Board adjourned its special meeting at 4:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Clare M. Murphy".

Clare M. Murphy  
General Manager





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.  
MAR 16 1994  
SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, FEBRUARY 22, 1994

12:00 NOON

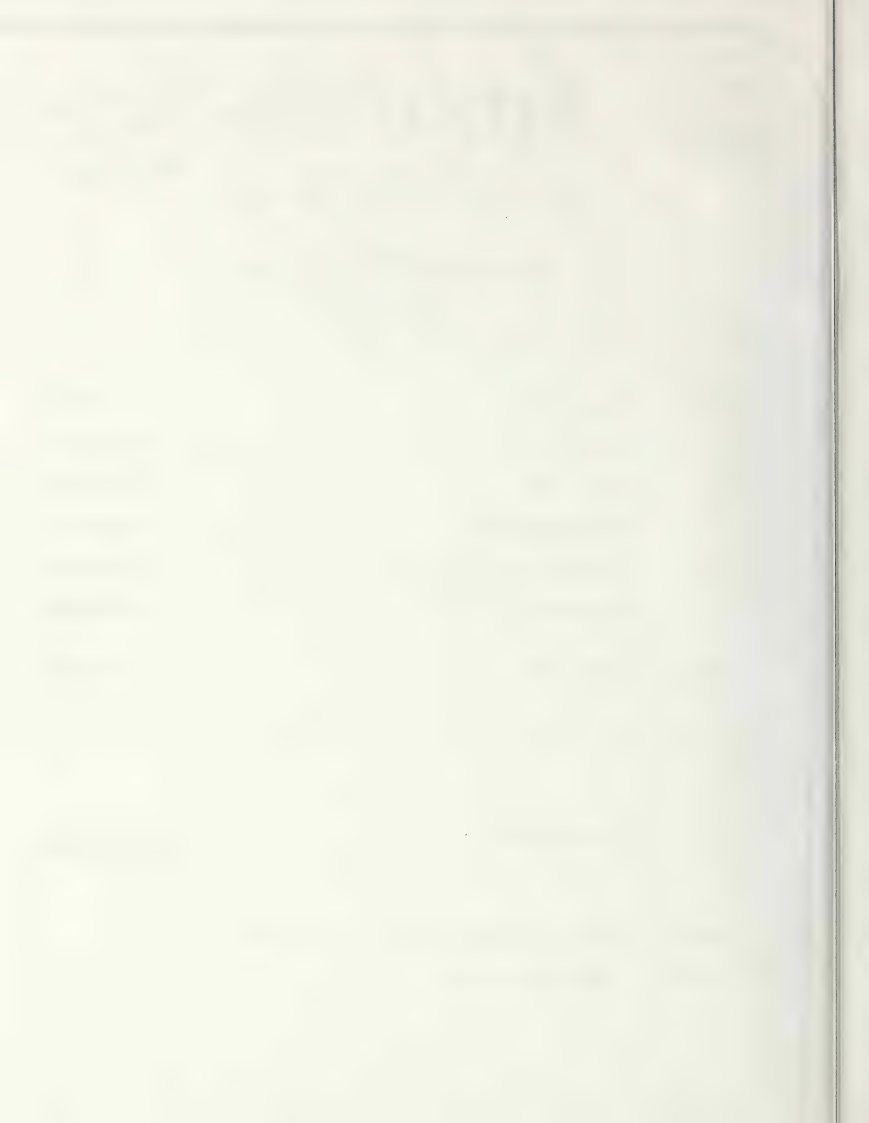
Present:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Constance M. Hiatt	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of February 8, 1994.

ACTION: Approved as Submitted.



## RETIREMENT BOARD

### REGULAR MEETING

### PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. No comment were made at this time.

### REGULAR CALENDAR

#### 1. UNFINISHED BUSINESS LIST

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Breall to accept staff recommendation; motion passed 6-0.

#### 2. REVIEW OF THE STATEMENT OF ECONOMIC INTEREST REPORTING REQUIREMENTS

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

#### 3. PROPOSED RETIREMENT SYSTEM BUDGET FOR 1994-95 - CONTINUATION

Clare Murphy, General Manager, Kieran Murphy, Actuary, Bob Parmelee, Chief Accountant, and Linda Richards, Information Systems Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer



session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt to approve the proposed budget; motion passed 5-1 (Meiberger).

4. SCHEDULING OF STRATEGIC PLANNING SESSION

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Gibson, seconded by Hiatt to schedule a special meeting for strategic planning on April 15-16, 1994 and to authorize a modification of the contract with Snider and Associates; motion passed 6-0.

5. REQUEST FOR AUTHORIZATION FOR MARK COLEMAN TO ATTEND THE INSTITUTIONAL INVESTOR INSTITUTE PUBLIC FUNDS ROUNDTABLE TO BE HELD ON APRIL 5-6, 1994 IN LOS ANGELES, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Gibson, seconded by Breall to approve the request for authorization for Mark Coleman to attend the Institutional Investor Institute Public Funds Roundtable to be held on April 5-6, 1994 in Los Angeles, CA; motion passed 6-0.

[The Investment Calendar Items were heard out of sequence.]

## INVESTMENT CALENDAR

3. REVIEW AND APPROVAL OF ANNUAL MANAGER INVESTMENT PLANS FOR AMB INSTITUTIONAL REALTY ADVISORS, INC. AND RREEF AMERICA PARTNERS

Frank Blaschka of the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Ashe, seconded by Breall to accept staff recommendation; motion passed 6-0.

2. **CALLAN ASSOCIATES QUARTERLY PERFORMANCE PRESENTATION FOR PENSION FUND INVESTMENTS**

Barry Dennis of Callan Associates presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

1. **EXTERNAL MANAGER PRESENTATION: ANNUAL REVIEW AND UPDATE ON PERFORMANCE AND OUTLOOK BY WARBURG INVESTMENT MANAGEMENT, PROVIDENT INVESTMENT COUNSEL, AND HANSON INVESTMENT COMPANY**

Representatives of Warburg Investment Management, Provident Investment and Hanson Investment Company presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was information item only; no action was taken.

4. **CHIEF INVESTMENT OFFICER'S REPORT**

a. **Proxy Votes**

There were no proxy votes.

b. **Investment Portfolio: Recent Developments and Updates - Discussion Only**

This was an information item only; no action was taken.

## **CONSENT CALENDAR**

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 16-93
2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE: PATRICIA WILEY
3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM AND STIPULATED WCAB AWARD  

Christina A. Torres-Tsiliacos50 - 3/4% PD
4. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE  

Mario Prego\$ 5,000.00
5. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM  

Roberta Hepburn\$ 1,000.00
6. PETITION FOR REHEARING  

Marlin Arceneaux  
2740 Porter Supervisor I - Public Health/Laguna Honda Hospital  
Ordinary Retirement Disability

Denied
7. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN  

Carl Morgan
8. APPLICATION FOR BIRTHDATE CORRECTION
  - a. Frank Chew
  - b. Clarence C. Hamilton
9. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEM ON THE RETIREMENT BOARD MEETING OF JANUARY 25, 1994

- ACTION:**
1. It was moved by Breall, seconded by Hiatt to approve the Consent Calendar item nos. 1-8; motion passed 5-0.
  2. It was moved by Ashe, seconded by Meiberger to approve the Consent Calendar item no. 9; motion passed 4-1 (Hiatt).

## GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. The Closed Session for personnel evaluation on April 22, 1994 will start at 11:00 a.m.
2. Ms. Murphy reported on recent meetings related to the implementation of Proposition "L."
3. Ms. Murphy and the Board discussed the proposed Request for Proposal for an initial treatment facility.

## ACTUARY'S REPORT

Kieran Murphy, Actuary, reported on recent requests from the Mayor's Office, Board of Supervisors, and various departments.

## CITY ATTORNEY'S REPORT

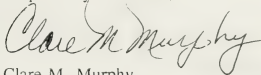
No report was made.

## BOARD MEMBERS

No report was made.

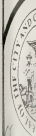
There being no further business, the Board adjourned its regular meeting at 7:55 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

TUESDAY, MARCH 8, 1994

12:00 NOON

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Angela Alioto	Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of February 22, 1994.

ACTION: Approved as Submitted.





## RETIREMENT BOARD

### REGULAR MEETING

### CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., and the *Sunshine Act*, San Francisco Administrative Code Section 67.10, the Retirement Board met in closed session to discuss a litigation matter and authorized an appeal by the City Attorney in the matter of Joanne Schmidt.

### PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### SPECIAL ORDER

**Election of Officers:** President and Vice President

In accordance with Board Rule One, Section 1.03, the Board conducted the election of officers for the ensuing term of office.

For President: The Board unanimously elected Commissioner Peter Ashe for President. Commissioner Ashe was elected President for the next 12-month period. Commissioner Ashe noted that his term on the Board expires in February, 1995.

For Vice President: The Board unanimously elected Commissioner Constance Hiatt for Vice President. Commissioner Hiatt was elected Vice President for the next 12-month period.

### REGULAR CALENDAR

1. COST OF LIVING ADJUSTMENT FOR RETIREES SUBJECT TO CHARTER SECTION 8.526 TO BE EFFECTIVE JULY 1, 1994

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Driscoll to accept staff recommendation; motion passed 6-0.

2. **SAN FRANCISCO INTERNATIONAL AIRPORT APPLICATION FOR DISABILITY RETIREMENT PROPOSED DECISION AFTER REHEARING - JEFFERSON CAMPBELL**

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item. Richard H. Jordan and Frank Clifford representing Jefferson Campbell engaged in a discussion with the Board.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** 1. It was moved by Meiberger, seconded by Hiatt to recuse Commissioner Gibson in reference to items relating to the Airport Commission; motion passed 6-0.

2. It was moved by Breall, seconded by Hiatt to grant Jefferson Campbell an ordinary retirement disability; motion passed 6-0.

3. **REQUEST FOR AUTHORIZATION FOR HERB MEIBERGER, BOARD MEMBER AND CAROLYN HAMILTON TO ATTEND THE 1994 AIMR ANNUAL CONFERENCE TO BE HELD ON MAY 15-18, 1994 IN WASHINGTON, D.C.**

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Alioto to approve the request for authorization for Herb Meiberger, Board Member and Carolyn Hamilton to attend the 1994 AIMR Annual Conference to be held on May 15-18, 1994 in Washington, D.C.; motion passed 7-0.

[Supervisor Alioto arrived during this item.]

4. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER TO ATTEND THE COUNCIL OF INSTITUTIONAL INVESTORS SEMI-ANNUAL MEETING TO BE HELD ON APRIL 14-15, 1994 IN WASHINGTON, D.C.

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Alioto, seconded by Breall to approve the request for authorization for Peter Ashe, Board Member to attend the Council of Institutional Investors Semi-Annual Meeting to held on April 14-15, 1994 in Washington, D.C.; motion passed 7-0.

5. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER AND GARY HIATT TO ATTEND THE PENSION REAL ESTATE ASSOCIATION'S 1994 SPRING CONFERENCE TO BE HELD ON APRIL 5-7, 1994 IN BALTIMORE, MD

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Alioto to approve the request for authorization for Peter Ashe, Board Member and Gary Hiatt to attend the Pension Real Estate Association's 1994 Spring Conference to be held on April 5-7, 1994 in Baltimore, MD; motion passed 7-0.

## INVESTMENT CALENDAR

1. QUARTERLY REPORT ON GLOBAL FIXED INCOME MANAGERS FOR THE PERIOD ENDED DECEMBER 31, 1993

E. Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an informational item only; no action was taken.

2. QUARTERLY REPORT ON INTERNATIONAL EQUITY MANAGERS FOR THE PERIOD ENDED DECEMBER 31, 1993

Kenneth Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. INTERNATIONAL EQUITY STRUCTURE

Kenneth Shaffer, Chief Investment Officer, and Inga Bartlam and Barry Dennis of Callan Associates presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was information item only; no action was taken.

4. DOMESTIC EQUITY MANAGERS' USE OF AMERICAN DEPOSITORY RECEIPTS AND FOREIGN EQUITIES

Kenneth Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to adopt staff recommendation; motion passed 6-0. (Supervisor Alioto was not present for the vote.)

5. PRELIMINARY REPORT ON SOUTH AFRICA INVESTMENT RESTRICTIONS

Kenneth Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was information item only; no action was taken.

a. Proxy Votes

<u><b>For</b></u>	<u><b>Against</b></u>
-------------------	-----------------------

**1. MCI Communications Company**

Investment by British Telecommunications	7	0
--	---	---

## 2. McCaw Cellular Company

Merger with AT&T Company	7	0
--------------------------	---	---

- b. Ken Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of February, 1994, discussed issues related to a possible real estate investment, and provided an update on issues related to Unrelated Business Tax Income.

The following items were presented:

## 1. VOLUNTARY RETIREMENT BOARD LIST NO. 17-93

## 2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

- |    |                   |                      |
|----|-------------------|----------------------|
| a. | Vinton Bacon      | \$ 7,655.00          |
| b. | Nellie Hernandez  | \$ 8,000.00          |
| c. | Timothy McGuire   | \$ 1,000 (+PERS IDR) |
| d. | Madeline Sausotte | \$ 25,000.00         |

### 3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

- |    |                  |              |
|----|------------------|--------------|
| a. | Kenneth Hartman  | \$ 2,047.00  |
| b. | Matthew Jenkins  | \$ 4,378.63  |
| c. | Andrew O'Mahoney | \$ 35,000.00 |

4. DECISION OF HEARING OFFICER

- a. Cyarmine Benitez  
6108 Complaint Investigator - Public Health  
Ordinary Retirement Disability  
Effective Date: April 1, 1994  
Granted
- b. Walter E. Biondi  
2905 Senior Disability Worker - Social Services  
Ordinary Retirement Disability  
Effective Date: October 30, 1993  
Granted
- c. Richard E. Carr  
1844 Senior Management Assistant - Public Health  
Ordinary Retirement Disability  
Effective Date: January 1, 1994  
Granted
- d. Vernon Ferguson  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: June 1, 1990  
Granted
- e. Valerie Matthews  
Q-2 Police Officer - Police Department  
Determination  
Denied
- f. Joseph F. McCarthy  
H-40 Battalion Chief - Fire Department  
Industrial Disability Retirement/Stipulation  
Denied

5. PETITION FOR REHEARING

Ronald Johnson  
1404 Clerk - Public Health/San Francisco General Hospital  
Ordinary Retirement Disability  
Denied

6. APPLICATION FOR BIRTHDATE CORRECTION

John L. Bray

7. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED  
ITEMS ON THE RETIREMENT BOARD MEETING OF FEBRUARY 8, 1994

- ACTION:**
1. It was moved by Breall, seconded by Alioto to approve the Consent Calendar except item nos. 2c and 7; motion passed 7-0.
  2. It was moved by Breall, seconded by Hiatt to approve the Consent Calendar item no. 2c; motion passed 6-0 (Gibson recused).
  3. It was moved by Hiatt, seconded by Alioto to approve the Consent Calendar item no. 7 (Board Member Comments); motion passed 7-0.
  4. It was moved by Meiberger, seconded by Breall to approve the Consent Calendar item no. 7 (Proposed Retirement System Budget for 1994-95 Continuation); motion passed 4-3 (Driscoll, Hiatt and Gibson).

## **GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. An educational opportunities list was distributed.
2. The Hartford Contract for Deferred Compensation has been signed.
3. The fiscal year 1994-95 Retirement System Budget has been submitted to the Mayor's Office.
4. Ms. Murphy reported on recent meetings regarding the implementation of Proposition "L"; discussed a recent conversation with Mr. Harvey Rose, Budget Analyst to the Board of Supervisors, regarding receipt of a Board transcript; and provided an update on the Board's facilitated planning session.
5. Board members were reminded to submit their Form 721's by March 28, 1994.
6. Ms. Murphy reported on the recently adopted Board process regarding requests from the Mayor, Board of Supervisors, and various departments.

## **ACTUARY'S REPORT**

No report was made.

## **CITY ATTORNEY'S REPORT**

No report was made.

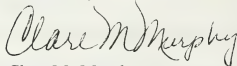


## BOARD MEMBERS

The Board discussed issues related to a participant fee for the Deferred Compensation Program.  
Commissioner Hiatt discussed the Board's budget preparation and review process.

There being no further business, the Board adjourned its regular meeting in memory of Police Captain J. William Conroy and Conni Whitaker at 6:30 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

APR 15 1994

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, MARCH 22, 1994

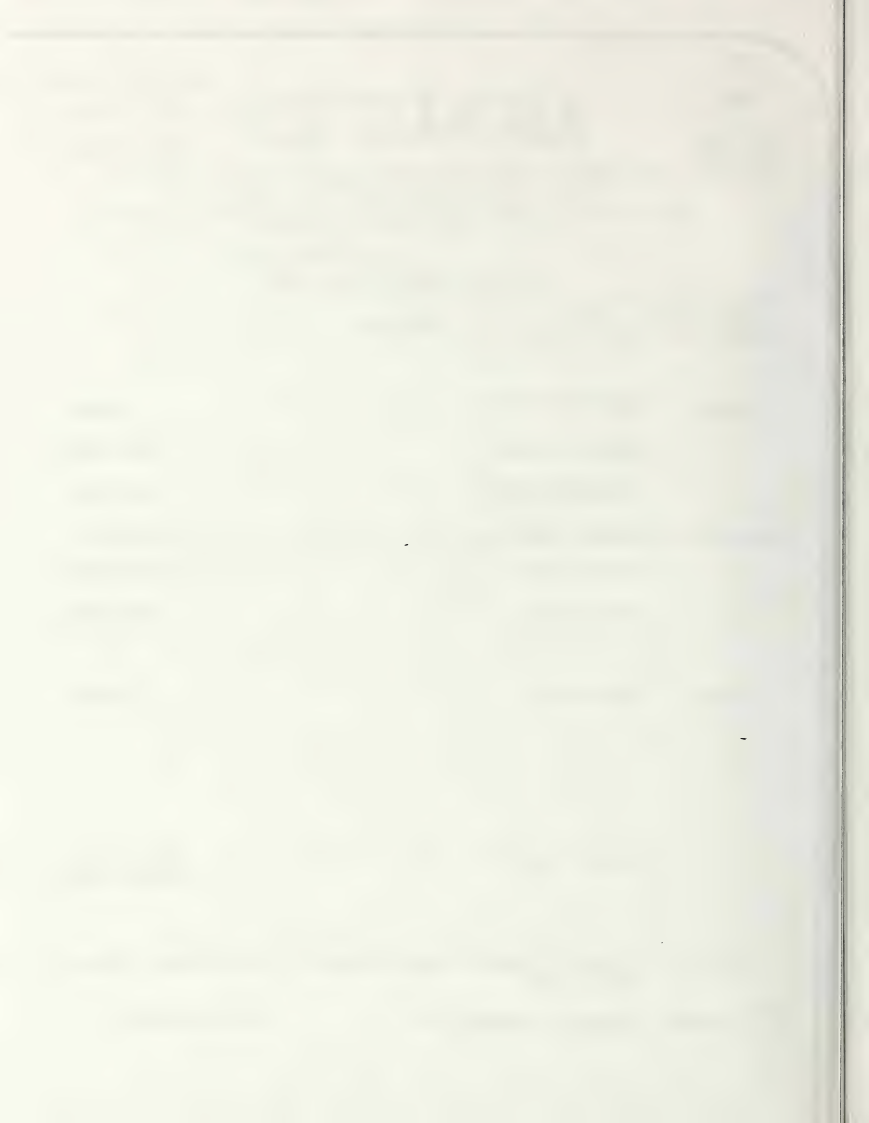
11:00 A.M.

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meijberger	Commissioner
Absent:	Angela Alioto	Supervisor

Clare M. Murphy	General Manager Retirement System
-----------------	--------------------------------------

MINUTES: Minutes of the Special Meeting of February 12, 1994 and Regular Meeting of March 8, 1994.

ACTION: Approved as Submitted.



## RETIREMENT BOARD

### REGULAR MEETING

### CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., and the *Sunshine Act*, San Francisco Administrative Code Section 67.10, the Retirement Board met in closed session to discuss the performance evaluation of Kieran Murphy, Actuary.

### PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### REGULAR CALENDAR

#### 1. UNFINISHED BUSINESS LIST

Clare Murphy, General Manager, and Norman Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

- ACTION:**
1. It was moved by Meiberger, seconded by Breall to add consideration of equity options; motion passed 6-0.
  2. It was moved by Driscoll, seconded by Meiberger to add domestic relations orders; motion passed 6-0.
  3. It was moved by Breall, seconded by Hiatt to adopt the unfinished business list; motion passed 6-0.

#### 2. RETIREMENT RELATED CHARTER AMENDMENTS PROPOSED FOR JUNE, 1994

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item. Ms. Jean Thomas, Bay Area Retirees' Guild, urged the Board to take public positions on issues related to retirees.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

## **INVESTMENT CALENDAR**

1. **ALTERNATIVE INVESTMENT PRESENTATION: BLACKSTONE CAPITAL PARTNERS II, L.P.**

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis, Bailey and Associates, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Gibson to adopt staff recommendation to invest \$20 million in Blackstone Capital Partners II, L.P.; motion passed 6-0.

3. **QUARTERLY REPORT ON REAL ESTATE PERFORMANCE**

Gary Hiatt, Portfolio Manager, and Terry Ahern of the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. **REAL ESTATE MANAGER PRESENTATION: RREEF**

Martin Cannon, Suzanne Hauer and Wylie Grieg of RREEF presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. REPORT ON COMMERCIAL REAL ESTATE MORTGAGES

Jack Montgomery, Portfolio Manager, and Terry Ahern of the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. RECOMMENDATION TO DEVELOP MANAGER INVESTMENT PLAN FOR METRIC REALTY

Gary Hiatt, Portfolio Manager, and Terry Ahern of the Townsend Group presented a written report to the Board on this item.

**ACTION:** It was moved by Driscoll, seconded by Meiberger to accept staff recommendation; motion passed 6-0.

6. RECOMMENDATION AND PRESENTATION ON CONVERTIBLE BONDS

Kenneth L. Shaffer, Chief Investment Officer, and Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item. Richard A. Janus of Society Asset Management and Lawrence E. Davanzo of Asset Strategy Consulting also made a presentation to the Board.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

7. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Ken Shaffer, Chief Investment Officer, reported on recent personnel changes at Callan Associates.

This was an information item only; no action was taken.

## CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 18-93
2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
  - a. Saul Contreras \$ 19,682.86
  - b. Donald J. Garibaldi \$ 60,000.00
  - c. Robert Stephenson \$ 5,000.00
3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM
  - Pablo Zamora \$ 330.78
4. DECISION OF HEARING OFFICER
  - a. Bryna Bailin  
1440 Medical Transcriber - Public Health/San Francisco General Hospital  
Ordinary Retirement Disability  
Effective Date: May 1, 1993  
Granted
  - b. Theodore J. Bauer  
9220 Airport Operations Supervisor - Airport Commission  
Ordinary Retirement Disability/Stipulation  
Effective Date: November 1, 1993  
Granted
  - c. Edward W. Costanzi (Deceased)  
Q-2 Police Officer - Police Department  
Continuation  
Granted
  - d. Ethel Ellis  
2736 Porter - Public Health/San Francisco General Hospital  
Ordinary Retirement Disability  
Effective Date: October 30, 1993  
Granted
  - e. Stephen H. Feiner  
H-2 Firefighter - Fire Department  
Determination  
Granted

- |    |  |         |
|----|--|---------|
| f. | Donna Lee Horn<br>Teacher - San Francisco Unified School District<br>Ordinary Retirement Disability<br>Effective Date: April 1, 1994         | Granted |
| g. | Percy W. Jones<br>9155 Claims Investigator - Public Utilities Commission<br>Ordinary Retirement Disability<br>Effective Date: July 1, 1993   | Granted |
| h. | Richard H. Kain<br>H-20 Lieutenant - Fire Department<br>Industrial Disability Retirement/Stipulation<br>Effective Date: December 12, 1993    | Granted |
| i. | Jack Killough<br>Q-2 Police Officer - Police Department<br>Industrial Disability Retirement<br>Effective Date: November 15, 1993             | Granted |
| j. | James L. Lanigan<br>7215 General Laborer Supervisor I - Public Works<br>Ordinary Retirement Disability<br>Effective Date: January 3, 1994    | Granted |
| k. | William R. Leet<br>Q-50 Sergeant - Police Department<br>Industrial Disability Retirement/Stipulation   | Denied  |
| l. | Billye E. Morrow<br>Q-60 Lieutenant - Police Department<br>Industrial Disability Retirement/Stipulation<br>Effective Date: November 24, 1993 | Granted |
| m. | John L. Rebholtz<br>H-30 Captain - Fire Department<br>Industrial Disability Retirement/Stipulation   | Denied  |
| n. | Walter Schweiger<br>8226 Museum Guard - Legion of Honor<br>Ordinary Retirement Disability/Stipulation  | Denied  |

- o. Richard R. Weick  
0380 Inspector - Police Department  
Industrial Disability Retirement/Stipulation Denied
- p. Quentin M. Yaronon  
Q-2 Police Officer - Police Department  
Determination Denied

5. PETITION FOR REHEARING

- a. John J. Courtney  
8314 Chief, Deputy Sheriff - Sheriff's Department  
PERS Denied
- b. Mark W. Huntley  
H-2 Firefighter - Fire Department  
Determination Denied
- c. Frank M. Ryan  
Q-50 Sergeant - Police Department  
Industrial Disability Retirement/Stipulation Denied

6. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Arnold F. Diem
- b. Martha Hernandez
- c. Anthony J. Piazza

- ACTION:**
- 1. It was moved by Meiberger, seconded by Hiatt to recuse Commissioner Gibson from participation on item #2b due to possible conflict of interest; motion passed 6-0.
  - 2. It was moved by Breall, seconded by Meiberger to approve the Consent Calendar item no. 2b; motion passed 5-0 (Gibson recused).
  - 3. It was moved by Gibson, seconded by Hiatt to approve the Consent Calendar; motion passed 6-0.



## **GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. City Hall contacts.
2. Proposition "L" Implementation.
3. The fiscal year 1994-95 Retirement System Budget.
4. Filing of Statements of Economic Interest.

## **ACTUARY'S REPORT**

No report was made.

## **CITY ATTORNEY'S REPORT**

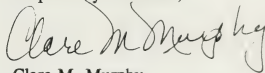
No report was made.

## **BOARD MEMBERS**

President Ashe discussed recent press reports regarding possible Charter Amendments.

There being no further business, the Board  
adjourned its regular meeting at 7:17 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1135 Market Street, Second Floor, San Francisco

TUESDAY, APRIL 12, 1994

12:00 NOON

DOCUMENTS DEPT.

MAY 2 1994

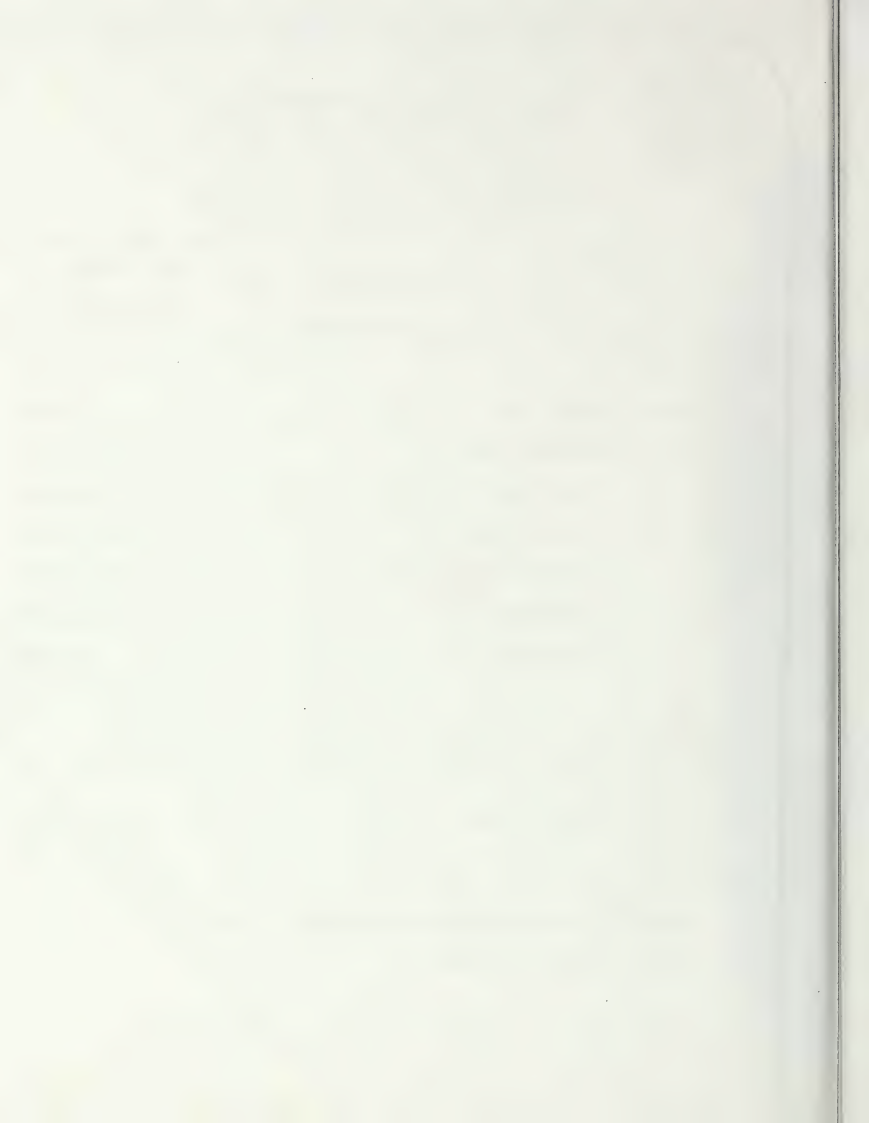
SAN FRANCISCO  
PUBLIC LIBRARY

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Angela Alioto	Supervisor

Clare M. Murphy	General Manager Retirement System
-----------------	--------------------------------------

MINUTES: Minutes of the Regular Meeting of March 22, 1994.

ACTION: Approved as Submitted.



## RETIREMENT BOARD

### REGULAR MEETING

### CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54956 et. seq., and the *Sunshine Act*, San Francisco Administrative Code Section 67.8(a)(3), President Ashe reported that the Retirement Board met in closed session with counsel regarding a potential settlement and elected to disclose no information regarding the potential settlement.

### PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### REGULAR CALENDAR

#### 1. REPORT AND RECOMMENDATION ON PARTICIPANT FEE FOR DEFERRED COMPENSATION PROGRAM

Clare Murphy, General Manager, and Norman Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

Al Trigueiro, Police Officers' Association; Shirley Black, Service Employees International Union; Judith Schutzman, Municipal Executives Association; and Jim Olson and Dennis Kruger, Firefighters Local No. 798, expressed concern regarding a possible participant fee and urged more contact with affected employee organizations.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

- ACTION:**
1. It was moved by Hiatt, seconded by Alioto to continue this item to the first meeting in July; motion passed 7-0.
  2. It was moved by Hiatt, seconded by Breall that the Board president shall establish a committee (Commissioners Driscoll and Hiatt) to review issues related to a possible participant fee with a report at the first meeting in July; motion passed 7-0.

2. ADJUSTMENT OF RETIREMENT ALLOWANCE - RICHARD H. KAIN

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** The Board unanimously voted to adjust Richard H. Kain's industrial disability retirement allowance from 50% to 55%.

3. REPORT ON RESULTS OF ACTUARIAL VALUATION AUDIT

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. DEPARTMENT OF SOCIAL SERVICES' REQUEST FOR WORKERS' COMPENSATION COVERAGE OF GENERAL ASSISTANCE/WORKFARE RECIPIENTS

Clare Murphy, General Manager, and Brian Narlock, Workers' Compensation Division Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Gibson to provide Workers' Compensation coverage as of April 19, 1994 to general assistance recipients, expressly contingent upon approval of a resolution defining coverage of General Assistance/Workfare recipients by the Board of Supervisors and the Department of Social Services' agreement to cover actual costs. Future coverage will be reviewed in two months; motion passed 4-3 (Alioto, Breall and Gibson).

5. REQUEST FOR AUTHORIZATION FOR CAROLYN HAMILTON, PORTFOLIO MANAGER, TO ATTEND THE IFE AND IFC EMERGING MARKETS TO BE HELD ON APRIL 23-24, 1994 IN WASHINGTON, D.C.

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken.

6. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER TO ATTEND THE PINEHURST REAL ESTATE SEMINAR TO BE HELD ON MAY 18-21, 1994 IN PINEHURST, NORTH CAROLINA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to approve the request for authorization for Peter Ashe, Board member to attend the Pinehurst Real Estate Seminar to be held on May 18-21, 1994 in Pinehurst, North Carolina; motion passed 5-0 (Commissioner Gibson and Supervisor Alioto were not present for the vote.)

7. REQUEST FOR AUTHORIZATION FOR CLARE MURPHY, GENERAL MANAGER, AND KENNETH SHAFFER, CHIEF INVESTMENT OFFICER, TO ATTEND THE IFE MARKET MAKERS TO BE HELD ON JUNE 27-30, 1994 IN SANTA BARBARA, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Meiberger to approve the request for authorization for Clare Murphy, General Manager, and Kenneth Shaffer, Chief Investment Officer, to attend the IFE Market Makers to be held on June 27-30, 1994 in Santa Barbara, CA; motion passed 5-0

(Commissioner Gibson and Supervisor Alioto were not present for the vote.)

## **INVESTMENT CALENDAR**

1. REVIEW OF GENERAL CONSULTING AND PERFORMANCE MEASUREMENT SERVICES AND APPROVAL OF REQUEST FOR PROPOSAL FOR CONSULTING SERVICES AND PERFORMANCE MEASUREMENT

Kenneth Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item. Jean Thomas, Bay Area Retirees' Guild, urged the Board to maintain affirmative action reporting requirements.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Hiatt to adopt staff recommendation as amended; motion passed 6-0.

[Supervisor Alioto left during the discussion of this item.]

2. DOMESTIC FIXED INCOME TRI-ANNUAL REPORT

Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. CHIEF INVESTMENT OFFICER'S REPORT

- a. Proxy Votes

There were no proxy votes.

- b. Kenneth Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of March, 1994, and reported that Alicia Cooney will be leaving Lewis, Bailey and Associates.



This was an information item only; no action was taken.

## CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 19-93
2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
  - a. Neil Andrus \$ 13,750.00
  - b. Joseph Bell \$ 6,500.00
  - c. Kenneth Gregory \$ 700.00
3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM
  - a. Divey Burnside \$ 3,089.18
  - b. Marc Fischetti \$ 4,000.00
  - c. Verner Foster \$ 2,000.00
  - d. Margaret Kendrick \$ 16,325.55
  - e. Kirk T. Lawson \$ 750.00
  - f. Silas Lee \$ 5,000.00
  - g. Katherine Murphy \$ 5,932.96
  - h. Warren Omholt \$ 7,500.00
  - i. Bobbylyne Rice \$ 5,570.48
  - j. Lonette Robinson \$ 3,000.00
  - k. Evan Ross \$ 3,708.26

l. Dutrell Shelton \$ 3,088.15

4. DECISION OF HEARING OFFICER

- a. Robert C. Alberigi  
0380 Inspector - Police Department  
Industrial Disability Retirement Denied
- b. George L. Fenech  
9210 Airport Police Officer - Airport Commission  
PERS Granted
- c. Sheila Fletcher  
1244 Senior Personnel Analyst - Public Health/San Francisco General Hospital  
Ordinary Retirement Disability Denied
- d. John W. Jackson  
2740 Porter Supervisor I - Public Health/San Francisco General Hospital  
Ordinary Retirement Disability/Proposition A  
Effective Date: March 30, 1994 Granted
- e. James Johnson, Jr.  
8304 Deputy Sheriff - Sheriff's Department  
PERS Granted
- f. Frederick G. Klein  
7259 Water & Power Maintenance Supervisor I - Public Utilities Commission  
Ordinary Retirement Disability  
Effective Date: August 28, 1993 Granted
- g. Frank A. Martinez  
1446 Secretary II - Recreation and Park Department  
Ordinary Retirement Disability  
Effective Date: December 18, 1993 Granted
- h. Timothy McGuire  
9210 Airport Police - Airport Commission  
PERS Granted

- i. Thomas J. Murphy  
H-20 Lieutenant - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective Date: February 27, 1993 Granted
- j. Edward M. Rodriguez  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement Denied  
Determination Denied
- k. Robert A. Simon  
Teacher - San Francisco Unified School District  
Ordinary Retirement Disability  
Effective Date: December 7, 1993 Granted
- l. Lois E. Terry  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability Denied
- m. Michael J. Walsh  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement Denied

5. PETITION FOR REHEARING

Stanley K. Lee  
Q-2 Police Officer - Police Department  
Determination Denied

6. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED  
ITEM ON THE RETIREMENT BOARD MEETING OF MARCH 22, 1994

- ACTION:**
- 1. It was moved by Meiberger, seconded by Hiatt to recuse Commissioner Gibson from participation on items #4b and 4h due to possible conflict of interest; motion passed 6-0.
  - 2. It was moved by Breall, seconded by Gibson to approve the Consent Calendar items excluding item nos. 4b, 4h and 6; motion passed 6-0.
  - 3. It was moved by Breall, seconded by Meiberger to approve the Consent Calendar item nos. 4b and 4h; motion passed 5-0. (Gibson recused)

4. It was moved by Breall, seconded by Meiberger to approve the Consent Calendar item no. 6; motion failed 3-3. (Hiatt, Driscoll and Breall)

### **GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. The Board's Facilitated Planning Session is scheduled for April 15 and 16.
2. The educational opportunities list, forward calendar and City Hall contacts report were distributed.
3. Ms. Murphy reported on a letter received from the Health Commission regarding affirmative action concerns at Saint Francis Memorial Hospital.
4. Ms. Murphy also reported on the progress in implementing Proposition L (Workers' Compensation) and on proposals for Charter Reform.

### **ACTUARY'S REPORT**

No report was made.

### **CITY ATTORNEY'S REPORT**

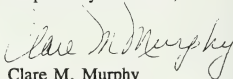
No report was made.

### **BOARD MEMBERS**

The Board commended Ms. Dorothy Anne Murphy for her service to the City upon her retirement.

There being no further business, the Board adjourned its regular meeting at 6:30 p.m.

Respectfully submitted,

  
Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Lori Krieger, Adams Reporting Services.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

FRIDAY, APRIL 15, 1994

SATURDAY, APRIL 16, 1994

8:30 A.M.

Present:

Peter D. Ashe

President

Constance M. Hiatt

Vice President

William Breall, M.D.

Commissioner

Joseph D. Driscoll

Commissioner

Bonnie K. Gibson

Commissioner

Herb Meiberg

Commissioner

Absent:

Angela Alioto (April 15 & 16)

Supervisor

William Breall, M.D., (April 16)

Commissioner

Clare M. Murphy

General Manager  
Retirement System

NOTE:

CHANGE OF VENUE:

KPMG PEAT MARWICK TRAINING CENTER  
3 EMBARCADERO CENTER, 19TH FLOOR  
SAN FRANCISCO, CA

BUSINESS-SCIENCE  
DOCUMENTS DEPT.

JUN 9 1994

SAN FRANCISCO  
PUBLIC LIBRARY

## RETIREMENT BOARD

### SPECIAL MEETING

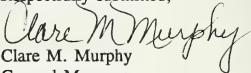
1. FACILITATED BOARD/STAFF STRATEGIC PLANNING SESSION

Marilyn Snider, Facilitator, and Jayne Becker, Recorder, conducted a facilitated Board/staff strategic planning meeting.

The Board and staff agreed on mission statement and a work plan to be distributed under separate cover.

There being no further business, the Board adjourned its special meeting at 4:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Clare M. Murphy". The signature is written in dark ink and is positioned above the printed name and title.

Clare M. Murphy  
General Manager



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

MAY 13 1994

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, APRIL 26, 1994

12:00 NOON

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiburger	Commissioner
Absent:	Angela Alioto	Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of April 12, 1994.

ACTION: Approved as Submitted.





## RETIREMENT BOARD

### REGULAR MEETING

### PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### REGULAR CALENDAR

1. **REPORT ON FACILITATED PLANNING SESSION AND STRATEGIC PLAN ADOPTION**

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Meiberger to adopt the report on the Facilitated Planning Session and strategic plan; motion passed 6-0.

2. **UNFINISHED BUSINESS LIST**

Clare Murphy, General Manager, and Norman Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

- ACTION:**
1. It was moved by Gibson, seconded by Hiatt to move designated items from the Unfinished Business List to the Board's strategic planning process; motion passed 6-0.
  2. It was moved by Hiatt, seconded by Driscoll to adopt the Unfinished Business List as amended; motion passed 6-0.

3. SCHEDULING OF FUTURE RETIREMENT BOARD MEETINGS THROUGH OCTOBER 31, 1994

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt to cancel the June 28, 1994 Board meeting and to adopt staff recommendation regarding future meetings; motion passed 6-0.

4. PURCHASE OF SERVICE CREDIT FOR REPRESENTATIVE SERVICE

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken. Consideration of this item was continued to the Board meeting of July 12, 1994.

5. CONCEPTS AND STATUS OF THE AUTOMATION OF RETIREMENT SYSTEM BUSINESS FUNCTIONS

Clare Murphy, General Manager, and Linda Richards, Information Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

6. REPORT ON HARTFORD PROXIES

Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

7. REQUEST FOR AUTHORIZATION FOR HERB MEIBERGER, BOARD MEMBER, TO ATTEND FIDELITY'S CLIENT CONFERENCE TO BE HELD ON MAY 4-6, 1994 IN WASHINGTON, D.C.

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Breall to approve the request for authorization for Herb Meiberger, Board member, to attend Fidelity's Client Conference to be held on May 4-6, 1994 in Washington, D.C.; motion passed 6-0.

8. REQUEST FOR AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO ATTEND THE CORE GROUP TRUST ANNUAL MEETING TO BE HELD ON MAY 24, 1994 IN DALLAS, TX AND TCW DEBT AND ROYALTY ANNUAL MEETING TO BE HELD ON MAY 26-27, 1994 IN NEW ORLEANS, LA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt to approve the request for authorization for Gary Hiatt, Portfolio Manager, to attend the Core Group Trust Annual Meeting to be held on May 24, 1994 in Dallas, TX and TCW Debt and Royalty Annual Meeting to be held on May 26-27, 1994 in New Orleans, LA; motion passed 6-0.

9. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER, TO ATTEND THE 1994 VENTURE INVESTING TO BE HELD ON JUNE 14-15, 1994 IN SAN FRANCISCO, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Breall to approve the request for authorization for Peter Ashe, Board member, to attend the 1994 Venture Investing to be held on June 14-15, 1994 in San Francisco, CA; motion passed 6-0

10. REQUEST FOR AUTHORIZATION FOR CONSTANCE HIATT, BOARD MEMBER, TO ATTEND THE 1994 LEGAL EDUCATION CONFERENCE TO BE HELD ON JUNE 22-24, 1994 IN HERSHEY, PENNSYLVANIA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Gibson, seconded by Breall to approve the request for authorization for Constance Hiatt, Board member, to attend the 1994 Legal Education Conference to be held on June 22-24, 1994 in Hershey, Pennsylvania; motion passed 6-0.

## INVESTMENT CALENDAR

1. ASSET/LIABILITY ANALYSIS

Kenneth Shaffer, Chief Investment Officer, and Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

[Commissioner Gibson left at 3:45 p.m.]

2. INTERNATIONAL EQUITY REPORT AND RECOMMENDATION

Kenneth Shaffer, Chief Investment Officer, Carolyn Hamilton, Portfolio Manager, Mark Coleman, Security Analyst, and Inga Bartlam, Ann De Luce of Callan Associates presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Hiatt to accept staff recommendation; motion passed 5-0.

3. **CHIEF INVESTMENT OFFICER'S REPORT**

a. **Proxy Votes**

There were no proxy votes.

b. **Kenneth Shaffer, Chief Investment Officer, announced the formation of Strategic Investments, Inc. by former staff members of Callan and Associates.**

This was an information item only; no action was taken.

## **CONSENT CALENDAR**

The following items were presented:

1. **VOLUNTARY RETIREMENT BOARD LIST NO. 20-93**

2. **SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE**

a.	William Collier	\$ 1,000.00
b.	Julia Medearis	\$ 2,375.00
c.	Estelle Milber	\$ 18,500.00
d.	Clady Wright	\$ 40,000.00

3. **DECISION OF HEARING OFFICER**

a.	John D. Carroll H-30 Captain - Fire Department Industrial Disability Retirement/Stipulation Effective Date:	July 6, 1993	Granted
----	--	--------------	---------

- b.     Noel V. Hartline  
        1844 Senior Management Assistant - Social Services  
        Ordinary Retirement Disability  
        Effective Date:         January 8, 1994  
Granted
- c.     John J. Hickey  
        H-50 Assistant Chief - Fire Department  
        Industrial Disability Retirement/Stipulation  
        Effective Date:         July 6, 1993  
Granted
- d.     Francis S. Jones  
        H-20 Lieutenant - Fire Department  
        Industrial Disability Retirement/Stipulation  
        Effective Date:         July 3, 1993  
Granted
- e.     William C. Kunz  
        8308 Sheriff's Sergeant - Sheriff's Department  
        PERS  
Granted
- f.     James E. Long  
        2735 Porter - Public Health/Laguna Honda Hospital  
        Ordinary Retirement Disability  
        Effective Date:         September 1, 1993  
Granted
- g.     Bessie Mitchell  
        1721 Senior Data Entry Operator - Public Utilities Commission  
        Ordinary Retirement Disability  
        Effective Date:         July 1, 1990  
Granted
- h.     Robert W. Moser  
        H-40 Battalion Chief - Fire Department  
        Industrial Disability Retirement/Stipulation  
        Effective Date:         July 23, 1993  
Granted
- i.     John L. Pitre  
        7514 Laborer - Public Works  
        Ordinary Retirement Disability  
        Effective Date:         November 1, 1993  
Granted
- j.     Stanley C. Rokes  
        H-2 Firefighter - Fire Department  
        Industrial Disability Retirement/Stipulation  
        Effective Date:         September 21, 1993  
Granted

- k. Constance V. Thomas  
9163 MUNI Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability Denied
    - l. John Tizio  
H-40 Battalion Chief - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective Date: April 30, 1993 Granted
    - m. Gilbert Ybarra  
8304 Deputy Sheriff - Sheriff's Department  
PERS Granted
- 4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
  - a. Kerry Reed
  - b. Carolyn Robinson
  - c. John A. Ryan

**ACTION:** It was moved by Breall, seconded by Meiburger to approve the Consent Calendar; motion passed 4-0. (Commissioner Hiatt was not present for the vote.)

### GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

- 1. Ms. Murphy reported on recent City Hall contacts, provided a report on the implementation of Proposition L (Workers' Compensation), and reported on the status of the fiscal year 1994-95 budget.
- 2. A survey from CALAPRS was distributed.
- 3. The Board was invited to attend events sponsored by AMB and Hartford.

### ACTUARY'S REPORT

No report was made.

## CITY ATTORNEY'S REPORT

No report was made.

## BOARD MEMBERS

No report was made.

There being no further business, the Board  
adjourned its regular meeting at 5:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Clare M. Murphy". The signature is written in dark ink and is positioned above the printed name and title.

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting  
Services.





# CALENDAR

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

TUESDAY, APRIL 26, 1994

12:00 NOON

DOCUMENTS DEPT.

APR 26 1994

SAN FRANCISCO  
PUBLIC LIBRARY

Peter D. Ashe

President

Constance M. Hiatt

Vice President

William Breall, M.D.

Commissioner

Joseph D. Driscoll

Commissioner

Bonnie K. Gibson

Commissioner

Herb Meiberger

Commissioner

Angela Alioto

Supervisor

Clare M. Murphy

General Manager  
Retirement System

## **DISABILITY ACCESS**

The San Francisco Employees' Retirement System is wheelchair accessible. Accessible seating is available for persons with disabilities. Large print copies of the agenda can be made available, American Sign Language interpreters and an FM sound amplification system are available on request; please contact Norm Nickens at 554-1520 at least two working days before a meeting.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Accessible parking is available at the 8th and Market Street parking lot. A "blue zone" is located adjacent to the lot. Accessible MUNI lines are the #9 and #71. The closest accessible BART/MUNI station is the Civic Center Station.

All materials to be considered or acted upon by the Board shall be available for public review 24 hours prior to the Board meeting.

For additional information, contact Norm Nickens, Executive Assistant, at 554-1520.

## **RETIREMENT BOARD**

### **REGULAR MEETING**

#### **PUBLIC COMMENT**

Members of the public shall have an opportunity to directly address the Retirement Board on items of interest to the public that are within the subject matter jurisdiction of the Retirement Board, including items being considered today. Members of the public may address the Retirement Board now or at the time an item on today's agenda is being considered. Members of the public may address the Retirement Board for up to five minutes. The President of the Retirement Board may limit the total testimony to 30 minutes.

#### **MINUTES**

Minutes of the regular meeting of April 12, 1994 submitted for approval.

#### **REGULAR CALENDAR**

1. **REPORT ON FACILITATED PLANNING SESSION AND STRATEGIC PLAN ADOPTION**

##### **ACTION:**

2. **UNFINISHED BUSINESS LIST**

##### **ACTION:**

3. **SCHEDULING OF FUTURE RETIREMENT BOARD MEETINGS THROUGH OCTOBER 31, 1994**

##### **ACTION:**

4. **PURCHASE OF SERVICE CREDIT FOR REPRESENTATIVE SERVICE**

##### **ACTION:**

5. **CONCEPTS AND STATUS OF THE AUTOMATION OF RETIREMENT SYSTEM BUSINESS FUNCTIONS**

6. REPORT ON HARTFORD PROXIES

7. REQUEST FOR AUTHORIZATION FOR HERB MEIBERGER, BOARD MEMBER, TO ATTEND FIDELITY'S CLIENT CONFERENCE TO BE HELD ON MAY 4-6, 1994 IN WASHINGTON, D.C.

**ACTION:**

8. REQUEST FOR AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO ATTEND THE CORE GROUP TRUST ANNUAL MEETING TO BE HELD ON MAY 24, 1994 IN DALLAS, TX AND TCW DEBT AND ROYALTY ANNUAL MEETING TO BE HELD ON MAY 26-27, 1994 IN NEW ORLEANS, LA

**ACTION:**

9. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER, TO ATTEND THE 1994 VENTURE INVESTING TO BE HELD ON JUNE 14-15, 1994 IN SAN FRANCISCO, CA

**ACTION:**

10. REQUEST FOR AUTHORIZATION FOR CONSTANCE HIATT, BOARD MEMBER, TO ATTEND THE 1994 LEGAL EDUCATION CONFERENCE TO BE HELD ON JUNE 22-24, 1994 IN HERSHEY, PENNSYLVANIA

**ACTION:**

## **INVESTMENT CALENDAR**

1. ASSET/LIABILITY ANALYSIS

**ACTION:**

2. INTERNATIONAL EQUITY REPORT AND RECOMMENDATION

**ACTION:**

3. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

b. Investment Portfolio: Recent Developments and Updates - Discussion Only

**ACTION:**

## CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

### 1. VOLUNTARY RETIREMENT BOARD LIST NO. 20-93

### 2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

- |    |                 |              |
|----|-----------------|--------------|
| a. | William Collier | \$ 1,000.00  |
| b. | Julia Medearis  | \$ 2,375.00  |
| c. | Estelle Milber  | \$ 18,500.00 |
| d. | Clady Wright    | \$ 40,000.00 |

### 3. DECISION OF HEARING OFFICER

- |    |   |         |
|----|---|---------|
| a. | John D. Carroll<br>H-30 Captain - Fire Department<br>Industrial Disability Retirement/Stipulation<br>Effective Date: July 6, 1993           | Granted |
| b. | Noel V. Hartline<br>1844 Senior Management Assistant - Social Services<br>Ordinary Retirement Disability<br>Effective Date: January 8, 1994 | Granted |
| c. | John J. Hickey<br>H-50 Assistant Chief - Fire Department<br>Industrial Disability Retirement/Stipulation<br>Effective Date: July 6, 1993    | Granted |
| d. | Francis S. Jones<br>H-20 Lieutenant - Fire Department<br>Industrial Disability Retirement/Stipulation<br>Effective Date: July 3, 1993       | Granted |
| e. | William C. Kunz<br>8308 Sheriff's Sergeant - Sheriff's Department<br>PERS   | Granted |

- f. James E. Long  
2735 Porter - Public Health/Laguna Honda Hospital  
Ordinary Retirement Disability  
Effective Date: September 1, 1993  
Granted
  - g. Bessie Mitchell  
1721 Senior Data Entry Operator - Public Utilities Commission  
Ordinary Retirement Disability  
Effective Date: July 1, 1990  
Granted
  - h. Robert W. Moser  
H-40 Battalion Chief - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective Date: July 23, 1993  
Granted
  - i. John L. Pitre  
7514 Laborer - Public Works  
Ordinary Retirement Disability  
Effective Date: November 1, 1993  
Granted
  - j. Stanley C. Rokes  
H-2 Firefighter - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective Date: September 21, 1993  
Granted
  - k. Constance V. Thomas  
9163 MUNI Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Denied
  - l. John Tizio  
H-40 Battalion Chief - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective Date: April 30, 1993  
Granted
  - m. Gilbert Ybarra  
8304 Deputy Sheriff - Sheriff's Department  
PERS  
Granted
4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
  - a. Kerry Reed
  - b. Carolyn Robinson

- c. John A. Ryan

**ACTION:**

**SUPPLEMENTAL CALENDAR**

Resolution(s), if any, to be adopted within limits imposed by the Sunshine Ordinance and the Ralph M. Brown Act, introduced today, not on the printed agenda. For such resolutions to be considered, the Board must first adopt motion (a) or motion (b) and then adopt motion (c).

(a) [Serious Injury Finding]

Motion that the Board find by roll call vote that for the resolution(s) being considered at this time "the need to take action is so imperative as to threaten serious injury to the public interest if action is deferred to a later meeting."

**ACTION:**

(b) [Purely Commendatory Finding]

Motion that the Board find by roll call vote that the resolution(s) being considered at this time are purely commendatory.

**ACTION:**

(c) [Brown Act Finding]

Motion that the Board find by roll call vote that for the resolutions being considered at this time there is a need to take immediate action and the need to take action came to the attention of the City and County of San Francisco after the agenda was posted.

**ACTION:**

(d) [Supplemental Action, if any]

**ACTION:**

**GENERAL MANAGER'S REPORT**

1. City Hall Contacts
2. Proposition L Implementation
3. Report on Budget
4. Prospective Board Meeting Schedule

**ACTUARY'S REPORT**

# **CITY ATTORNEY'S REPORT**

## **BOARD MEMBERS**



City and County of San Francisco



San Francisco City and County  
Employees' Retirement System  
Office of The General Manager

MEMORANDUM

May 4, 1994

DOCUMENTS DEPT.

MAY 10 1994

To: The Retirement Board

SAN FRANCISCO  
PUBLIC LIBRARY

From: Clare M. Murphy  
General Manager

Subject: **PROSPECTIVE RETIREMENT BOARD MEETING SCHEDULE AND TOPICS**

DATE	TIME	TENTATIVE TOPICS
05/10/94	12:00 noon	<b>Regular Meeting</b> Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation International Managers Search Request for Proposal
05/31/94	11:00 a.m.	<b>Regular Meeting</b> Strategic Plan Update Unfinished Business List Noetics Contract St. Francis Hospital Contract Renewal Reviewco Bill Review/PPO Contract Renewal/ Actuarial Contracts Asset Liability Analysis Callan Associates Presentation External Manager Presentation Alternative Investment Semi-Annual Report Alternative Investment Due Diligence Update
06/14/94	12:00 noon	<b>Regular Meeting</b> Quarterly Report on International Investments South Africa Report Report on Metric Investment Plan Real Estate Manager Presentation Quarterly Report on Real Estate Performance Review Request for Proposal Medical Treatment Facility Tri-Annual Domestic Fixed Income Report
06/28/94	12:00 noon	<b>CANCELLED</b>

DATE	TIME	TENTATIVE TOPICS
07/12/94	12:00 noon	<b>Regular Meeting</b> Approve Consultant Short List Approve Short List(s) for International Search 1993 Proxy Votes and Results Summary 1994 Interim Proxy Report
07/26/94	12:00 noon	<b>Regular Meeting</b> Strategic Plan Update Unfinished Business List Workers' Compensation Annual Bill Review and PPO Savings Report Semi-Annual Travel Expense Report Alternative Investment Presentation MIS Quarterly Report
08/02/94	12:00 noon	<b>Special Meeting</b> International Small Cap Manager Presentations
08/03/94	12:00 noon	<b>Special Meeting</b> International Emerging Market Manager Presentations
08/09/94	12:00 noon	<b>Regular Meeting</b> Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation International Small Cap/Emerging Market Manager Selections
08/30/94	12:00 noon	<b>Regular Meeting</b> Strategic Plan Update Unfinished Business Report Callan Associates Presentation External Manager Presentation Alternative Investment Presentation
09/13/94	12:00 noon	<b>Regular Meeting</b> Deferred Compensation Annual Report Quarterly Report on International Investments Approval of Medical Treatment Facility Finalist List
09/14/94	11:00 a.m.	<b>Special Meeting</b> Consultant Finalist Presentations
09/23/94	8:30 a.m.	<b>Special Meeting</b> Team Building Facilitated Meeting

DATE	TIME	TENTATIVE TOPICS
09/27/94	12:00 noon	<b>Regular Meeting</b> Strategic Plan Update Unfinished Business Report Annual Report Alternative Investment Presentation International Equity Review Real Estate Manager Presentation Quarterly Report on Real Estate Performance Report on Fixed Income Soft Dollars Consultant Finalist Selection
10/11/94	12:00 noon	<b>Regular Meeting</b>
10/12/94	10:00 a.m.	<b>Special Meeting</b> Medical Treatment Facility Presentations
10/25/94	12:00 noon	<b>Regular Meeting</b> Strategic Plan Update Unfinished Business List Medical Treatment Facility Selection
10/26/94	8:30 a.m.	<b>Special Meeting</b> Strategic Plan Review Facilitated Meeting

C:\WPFILE\BOARD\SCHEDULE\FORWARD





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

BUSINESS-SCIENCE  
DOCUMENTS DEPT.

JUN 2 1994

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, MAY 10, 1994

12:00 NOON

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of April 26, 1994.

ACTION: Approved as Submitted.

## RETIREMENT BOARD

### REGULAR MEETING

### PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### REGULAR CALENDAR

1. REQUEST FOR AMENDMENT OF RETIREMENT APPLICATION -  
JAMES THOMPSON

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by William Breall, seconded by Bonnie Gibson to accept staff recommendation; motion passed 5-0.

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN -  
JOSEPH E. MORRISON

Norman Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Bonnie Gibson, seconded by Angela Alioto to approve the requested withdrawal contingent upon the city attorney and staff receiving satisfactory documentation of Mr. Morrison's request.

Staff was directed to report to Commissioner Ashe and Supervisor Alioto on the status of this matter by May 16, 1994. If satisfactory documentation has not been obtained by May 25, 1994, this matter shall be recalendared for the meeting of May 31, 1994; motion passed 5-0.

## INVESTMENT CALENDAR

1. REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 1994

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. REVIEW OF THE DOMESTIC FIXED INCOME PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 1994

Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. REVIEW OF THE DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 1994

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. STAFF RECOMMENDATION ON ASSET ALLOCATION FOR THE QUARTER ENDING JULY 31, 1994

Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Connie Hiatt, seconded by Bonnie Gibson to accept staff recommendation; motion passed 4-0.

5. APPROVAL OF REQUEST FOR PROPOSAL FOR INTERNATIONAL SMALL CAP

Kenneth Shaffer, Chief Investment Officer, and Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Bonnie Gibson, seconded by Connie Hiatt to approve the request for proposals as amended. Staff was directed to seek comments from commissioners Driscoll and Meiberger; motion passed 4-0. (Supervisor Alioto not present for the vote).

6. APPROVAL OF REQUEST FOR PROPOSAL FOR INTERNATIONAL EMERGING MARKET MANAGER

Kenneth Shaffer, Chief Investment Officer, and Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Bonnie Gibson, seconded by Connie Hiatt to approve the request for proposals as amended. Staff was directed to seek comments from commissioners Driscoll and Meiberger; motion passed 4-0. (Supervisor Alioto not present for the vote).

7. CHIEF INVESTMENT OFFICER'S REPORT

- a. Kenneth Shaffer, Chief Investment Officer reported that Bankers Trust will reduce custody fees as of July 1, 1994.
- b. Kenneth Shaffer, Chief Investment Officer, announced the resignation of Jack Montgomery, Portfolio Manager, effective May 20, 1994. The Board expressed their thanks to Jack Montgomery for his four years of service and effective management of the in-house fixed income portfolio.



## CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 21-93
  2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE  
Richard Bucks \$ 40,916.00
  3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM  
Stanley J. Kososki \$ 10,000.00
  4. DECISION OF HEARING OFFICER
    - a. Larry J. Sozzi  
H-2 Firefighter - Fire Department  
Industrial Disability Retirement  
Effective Date: May 14, 1994  
Granted
    - b. Richard J. Sullivan  
8306 Senior Deputy Sheriff - Sheriff's Department  
PERS  
Granted
  5. PETITION FOR REHEARING  
Oliver C. Storti  
H-50 Assistant Chief - Fire Department  
Industrial Disability Retirement  
Denied
  6. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN  
Susan E. Rockett  
Granted
- ACTION:** It was moved by Angela Alioto, seconded by William Breall to approve the Consent Calendar; motion passed 5-0.

## **GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Recent City Hall contracts, including discussion of the implementation of Proposition L, the Fiscal Year 94-95 Budget, and proposals for Charter Reform.
2. Noetics/Reviewco have been purchased by Foundation Health Plan.
3. Draft implementing legislation for Proposition R (Retiree Participation in Board Elections) has been forwarded to the Board of Supervisors.

## **ACTUARY'S REPORT**

No report was made.

## **CITY ATTORNEY'S REPORT**

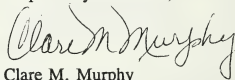
No report was made.

## **BOARD MEMBERS**

No report was made.

There being no further business, the Board adjourned its regular meeting at 4:45 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

TUESDAY, MAY 31, 1994

11:00 A.M.

DOCUMENTS DEPT.

JUN 22 1994

SAN FRANCISCO  
PUBLIC LIBRARY

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor
	Bonnie K. Gibson	Commissioner

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of May 10, 1994 & special meeting minutes of April 15 & 16, 1994.

ACTION: Approved as Submitted.



## RETIREMENT BOARD

### REGULAR MEETING

### PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for attendees. No comments were made at this time.

### MINUTES

Minutes of the regular meeting of May 10, 1994, and special meeting of April 15 & 16, 1994, were approved as submitted.

### REGULAR CALENDAR

#### 1. STRATEGIC PLAN MONTHLY PROGRESS REVIEW

Clare M. Murphy, General Manager, and Norman Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Breall, to approve the Strategic Plan Monthly Report; motion passed 5-0.

#### 2. UNFINISHED BUSINESS LIST

Clare M. Murphy, General Manager, and Norman Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt, to adopt the Unfinished Business List; motion passed 5-0.

3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN - JOSEPH E. MORRISON

Norman Nickens, Executive Assistant, presented a written and oral report to the Board on this item. Mr. Morrison addressed the Board regarding his request.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Breall, to approve the requested hardship withdrawal contingent upon staff receiving sufficient documentation detailing increased expenses; motion passed 5-0.

4. REQUEST FOR APPROVAL OF SUPPLEMENTAL APPROPRIATION FOR GENERAL FUND WORKERS COMPENSATION BENEFIT COSTS IN THE AMOUNT OF \$3,529,000.00

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Breall, to approve the Request for Approval of Supplemental Appropriation for General Fund Workers Compensation Benefit costs in the amount of \$3,529,000.00; motion passed 5-0.

5. APPROVAL OF NOETICS CONTRACT

Brian Narlock, Workers' Compensation Division Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Driscoll to recuse Commissioner Hiatt from participation on Item 5 and Item 7; motion passed 5-0.

It was also moved by Breall, seconded by Driscoll to approve the Noetics Contract; motion passed 4-0. (Commissioner Hiatt recused).

6. APPROVAL OF ST. FRANCIS HOSPITAL CONTRACT RENEWAL

Brian Narlock, Workers' Compensation Division Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** Consideration of this item was continued to the Board Meeting of June 14, 1994.

7. APPROVAL REVIEWCO BILL REVIEW/PPO CONTRACT RENEWAL

Brian Narlock, Workers' Compensation Division Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to approve Reviewco Bill Review/PPO Contract Renewal; motion passed 4-0. (Commissioner Hiatt recused).

8. ACTUARIAL CONSULTING CONTRACTS

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Hiatt to approve Actuarial Consulting Contracts; motion passed 5-0.

9. ADJUSTMENT OF DISABILITY RETIREMENT ALLOWANCE - JAMES AHERN

Dan Maguire, District City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** The recommended adjustment was unanimously adopted by ballot vote.

10. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER, TO ATTEND THE EMERGING MARKETS SEMINAR TO BE HELD ON JUNE 24, 1994, IN LOS ANGELES, CALIFORNIA

Clare M. Murphy, General Manager, presented a written report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt to approve the Request for Authorization for Peter Ashe, Board Member, to attend the Emerging Markets Seminar to be Held on June 24, 1994; motion passed 5-0.

11. REPORT ON CHARTER REFORM PROPOSALS AND PROPOSED CHARTER AMENDMENTS

Clare M. Murphy, General Manager, Kieran Murphy, Actuary, and Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

## INVESTMENT CALENDAR

1. INVESTMENT RECOMMENDATION - HELLMAN & FRIEDMAN CAPITAL PARTNERS III L.P.

Gary Hiatt, Portfolio Manager, and Consultants Alicia Cooney and Robert Mast, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** Consideration of this item was continued to the Board meeting of June 14, 1994.

2. ALTERNATIVE INVESTMENT SEMI-ANNUAL REPORT

Gary Hiatt, Portfolio Manager, and Consultants Alicia Cooney and Robert Mast, presented a written and oral report to the Board on this item.



The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. REPORT ON ALTERNATIVE INVESTMENT SCREENING PROCESS

Gary Hiatt, Portfolio Manager, and Consultant Alicia Cooney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Staff was directed to prepare the report for inclusion in the Board's alternative investment binder.

4. REPORT ON ALTERNATIVE INVESTMENT CO-INVESTMENTS

Gary Hiatt, Portfolio Manager, and Consultant Alicia Cooney presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Commissioner Ashe expressed the Board's appreciation to Alicia Cooney for her past efforts on behalf of the Board and wished her future success.

5. CALLAN ASSOCIATES PRESENTATION

Callan Consultant, Paul Erlendson, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

6. EXTERNAL MANAGERS PRESENTATION: MACKAY SHIELDS FINANCIAL CORP., DIETCHE & FIELD ADVISERS, INC., AND ARK ASSET MANAGEMENT CO., INC.

Representatives from MacKay Shields Financial Corp., Dietche & Field Advisers, Inc., and Ark Asset Management Co., Inc., presented a written and oral reports to the Board on these items.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

7. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Kenneth Shaffer, Chief Investment Officer, reported on recent personnel changes at The Townsend Group, and provided an update on issues related to the Index Fund.

This was an information item only; no action was taken.

## CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

1. VOLUNTARY RETIREMENT BOARD LIST NO. 22-93

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a. Jefferson J. Campbell \$5,500.00

b. Fei Fua Pu-Efua \$20,000.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a. Tara Alexander \$813.8

b. Penelope Chan \$455.6

c. Teresa Fulton \$673.0

d. Mose Lige \$2,918.0

e. Milfred Threat \$2,928.7

4. DECISION OF HEARING OFFICER

- a. Holloway, Eugene  
2708 Custodian - Water Dept.  
Ordinary Retirement Disability/Stipulation  
Effective: January 1, 1994  
Granted
- b. Hunt, Robert L.  
1762 Sr. Offset Machinist Operator - Airport  
Ordinary Retirement Disability  
Effective: September 1, 1994  
Granted
- c. Marzette-Washington, Eddie Mae  
3596 Paraprofessional - SFUSD  
Ordinary Retirement Disability/Prop A  
Effective: March 28, 1992  
Granted
- d. Sandgren, Michael K.  
3502 Museum Exhibit - Fine Arts Museum  
Ordinary Retirement Disability  
Effective: May 21, 1994  
Granted

5. PETITION FOR REHEARING

- a. Alberigi, Robert C.  
0380 Inspector - Police Dept.  
Industrial Disability Retirement  
Denied
- b. Matthews, Valerie  
Q-2 Police Officer - Police Dept.  
Determination  
Denied
- c. Rodriguez, Edward M.  
Q-2 Police Officer - Police Dept.  
Determination  
Denied
- d. Rodriguez, Edward M.  
Q-2 Police Officer - Police Dept.  
Industrial disability Retirement  
Denied
- e. Schweiger, Walter  
8226 Museum Guard - Legion of Honor  
Ordinary Retirement Disability/Stipulation  
Denied

- f. Terry, Lois, E.  
9163 Transit Operator - Muni  
Ordinary Retirement Disability Denied
6. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
- a. David R. Castro
  - b. Robert Guillermo
  - c. Anthony J. Piazza
  - d. Wayne Williams
7. APPLICATION FOR BIRTHDATE CORRECTION
- A. Chee Lui
- ACTION:** It was moved by Breall, seconded by Meiberger to adopt the Consent Calendar;  
motion passed 5-0.

### SUPPLEMENTAL CALENDAR

Resolution(s), if any, to be adopted within limits imposed by the Sunshine Ordinance and the Ralph M. Brown Act, introduced today, not on the printed agenda. For such resolutions to be considered, the Board must first adopt motion (a) or motion (b) and then adopt motion (c).

(a) [Serious Injury Finding]

Motion that the Board find by roll call vote that for the resolution(s) being considered at this time "the need to take action is so imperative as to threaten serious injury to the public interest if action is deferred to a later meeting."

**ACTION:**

(b) [Purely Commendatory Finding]

Motion that the Board find by roll call vote that the resolution(s) being considered at this time are purely commendatory.

**ACTION:**

(c) [Brown Act Finding]

Motion that the Board find by roll call vote that for the resolutions being considered at this time there is a need to take immediate action and the need to take action came to the attention of the City and County of San Francisco after the agenda was posted.

**ACTION:**

- (d) [Supplemental Action, if any]

**ACTION:****GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Ms. Murphy reported on the FY 94-95 Budget, the Implementation of Proposition L (Workers' Compensation), and recent changes in travel policy.
2. The June 14, 1994, Retirement Board meeting will start at 11:00 AM.

**ACTUARY'S REPORT**

Kieran Murphy, Actuary, reported on recent discussions regarding contribution rates.

**CITY ATTORNEY'S REPORT**

Dan Maguire, Deputy City Attorney, reported that he had met with Commissioner Breall regarding a remote conflict of interest. On advice of the Deputy City Attorney, Commissioner Breall has requested to be recused from consideration of the RFP and contract for an initial treatment facility.

Mr. Maguire reported on recent Workers' Compensation fraud cases.

**BOARD MEMBERS**

Commissioner Breall discussed a proposed study of stress/cardiac claims.

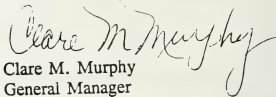
Commissioners Ashe and Meiberger reported on recent conferences they attended.

Commissioner Driscoll reported on recent discussions regarding a possible Deferred Compensation participant fee.

Commissioner Meiberger inquired as to the possibility of an additional response the Budget Analyst's Report on Workers' Compensation.

There being no further business, the Board  
adjourned its regular meeting at 8:45 p.m.

Respectfully submitted,

  
Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson and Lori Krieger of  
Adams Reporting Services.

City and County of San Francisco

San Francisco City and County  
Employees' Retirement System  
Office of The General Manager



1150 Bush Street  
San Francisco, CA  
94109-5995

May 31, 1994

The Retirement Board  
1155 Market Street  
San Francisco, CA 94103

Re: RFP/Contracting Process for  
Treatment Facility

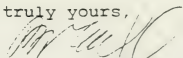
Fellow Board Members:

As you know, the Retirement Board will be reviewing proposals over the next several months and will ultimately enter into a contract with a treatment facility for the City's workers compensation injuries.

I have been advised by the City Attorney that I have a "remote" interest in this contract since I am a tenant of one of the expected bidders [Govt. Code 1091(b)(5)]. Based on this advice, I will recuse myself from all phases of the contracting process.

The current contract pre-dates my appointment to the Retirement Board by more than 15 years. Even so, I must also excuse myself from voting on the annual renewal and establishment of rates with the St. Francis Memorial Hospital.

Very truly yours,

  
William S. Breall, M.D.



P

A

M

A





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

TUESDAY, JUNE 14, 1994

11:00 A.M.

DOCUMENTS DEPT.

AUG 1 1994

SAN FRANCISCO  
PUBLIC LIBRARY

Present: Peter D. Ashe  
William Breall, M.D.  
Joseph D. Driscoll  
Bonnie K. Gibson  
Herb Meiberger  
Angela Alioto

President  
Commissioner  
Commissioner  
Commissioner  
Commissioner  
Supervisor

Absent: Constance M. Hiatt

Vice President

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of May 31, 1994

ACTION: Approved as Submitted.



## RETIREMENT BOARD

### REGULAR MEETING

### PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### REGULAR CALENDAR

#### 1. ST. FRANCIS MEMORIAL HOSPITAL CONTRACT RENEWAL

Brian Narlock, Workers' Compensation Division Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Larry Griffin, SEIU Local 250, addressed the Board regarding labor practices at St. Francis Memorial Hospital.

**ACTION:** It was moved by Meiberger, seconded by Gibson to adopt staff recommendation; motion passed 5-0 (Commissioner Breall recused due to potential conflict of interest).

#### 2. REVIEW REQUEST FOR PROPOSAL MEDICAL TREATMENT FACILITY

Brian Narlock, Workers' Compensation Division Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

- ACTION:**
1. It was moved by Meiberger, seconded by Alioto to recuse Commissioner Gibson due to possible conflict of interest; motion passed 5-0.
  2. It was moved by Driscoll, seconded by Meiberger to approve staff recommendation on request for proposal of medical treatment facility; motion passed 4-0 (Commissioners Breall and Gibson recused due to possible conflict of interest).

3. REPORT ON STATUTE OF LIMITATIONS IMPLEMENTATION

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. PENSION PROTECTION ACT OF 1992

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. PURCHASE OF SERVICE CREDIT FOR REPRESENTATIVE SERVICE FOR ROBERT F. BARRY

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Gibson to approve staff recommendation; motion passed 4-0 (Commissioner Breall and Supervisor Alioto were not present for the vote.)

6. DESIGNATION OF THE PRESIDENT, GENERAL MANAGER, AND ACTUARY TO COMMUNICATE BOARD POLICY

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to add "or designee" to the policy statement; motion passed 4-0 (Commissioner Breall and Supervisor Alioto were not present for the vote.)

7. **ADJUSTMENT OF DISABILITY RETIREMENT ALLOWANCE -MICHAEL GOODIN**

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** The Board unanimously voted to adjust Michael Goodin's industrial disability retirement allowance from 50% to 55%.

## **INVESTMENT CALENDAR**

1. **INVESTMENT RECOMMENDATION - HELLMAN & FRIEDMAN CAPITAL PARTNERS III L.P.**

Gary Hiatt, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Gibson to accept staff recommendation to invest \$30 million to Hellman and Friedman Capital Partners III L.P.; motion passed 5-0.

2. **QUARTERLY REPORT ON REAL ESTATE PERFORMANCE**

Frank Blaschka of The Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. REAL ESTATE MANAGER PRESENTATION - METRIC INSTITUTIONAL REALTY ADVISORS

Metric Institutional Realty Advisors, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. REPORT ON METRIC INVESTMENT PLAN - METRIC INSTITUTIONAL REALTY ADVISORS

Gary Hiatt, Portfolio Manager, and Frank Blaschka of The Townsend Group, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Consideration of this item continued to the meeting of July 12, 1994.

5. QUARTERLY REPORT IN GLOBAL FIXED INCOME INVESTMENTS

Ken Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

6. QUARTERLY REPORT ON INTERNATIONAL EQUITY INVESTMENTS

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

7. RECOMMENDATION FOR REPEAL OF SOUTH AFRICA INVESTMENT RESTRICTIONS

Ken Shaffer, Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to accept staff recommendation for repeal of South Africa investment restrictions; motion passed 4-1 (Ashe).

8. ASSET/LIABILITY STUDY

Ken Shaffer, Chief Investment Officer, and Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Motions were made and no action was taken.

This was an information item only; no action was taken.

9. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

- b. Kenneth Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of May, 1994, and provided an update on alternative investments.

This was an information item only; no action was taken.

## CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 23-93
2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE - CATHERINE LINEHAN

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	John Pitre	\$18,500.00
b.	Charles Stovall	\$17,000.00
c.	M. Wayne Williams	\$25,000.00

4. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Cristo S. Matalsol	\$2,000.00
b.	Wilbert Sims	\$1,224.70
c.	Norman Taylor	\$1,060.79
d.	Candida Tirado	\$2,187.92
e.	Joseph Vicino	\$3,000.00
f.	Patrick Yick	\$37,500.00

5. DECISION OF HEARING OFFICER

a.	Charles Bell 2708 Custodian - Recreation & Park Ordinary Retirement Disability/Stipulation	Denied
b.	Ted Gold H-2 Firefighter - Fire Department Industrial Disability Retirement/Stipulation Effective: January 7, 1994	Granted
c.	Mary P. Lopez 2615 School Lunch Helper - SFUSD Effective: April 20, 1994	Granted
d.	Christina Torres-Tsiliacos Q-2 Police Officer - Police Dept. Industrial Disability Retirement Effective: June 1, 1994	Granted



6. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Christopher M. Hill
- b. Raoul A. Ponce
- c. Danita E. Reagan
- d. Catherine M. Taylor

7. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF MAY 31, 1994

- ACTION:**
- 1. It was moved by Breall, seconded by Meiberger to approve the Consent Calendar except for item nos. 3a, 4a and 7; motion passed 5-0.
  - 2. It was moved by Driscoll, seconded by Breall to recuse Commissioner Gibson from participation on Consent Calendar item no. 4a due to possible conflict of interest; motion passed 5-0.
  - 3. It was moved by Driscoll, seconded by Breall to approve the Consent Calendar item no. 4a; motion passed 4-0 (Commissioner Gibson was recused from the vote.)
  - 4. It was moved by Breall, seconded by Alioto to approve the Consent Calendar item no. 3a; motion passed 6-0.
  - 5. It was moved by Meiberger, seconded by Breall to approve the Consent Calendar item no. 7; motion passed 3-2 (Driscoll and Gibson).

### SUPPLEMENTAL CALENDAR

(a) [Serious Injury Finding]

Motion that the Board find by roll call vote that for the resolution(s) being considered at this time "the need to take action is so imperative as to threaten serious injury to the public interest if action is deferred to a later meeting."

**ACTION:** The Board passed the resolution on unanimous roll call vote based on the serious injury finding.

(c) [Brown Act Finding]

Motion that the Board find by roll call vote that for the resolutions being considered at this time

there is a need to take immediate action and the need to take action came to the attention of the City and County of San Francisco after the agenda was posted.

**ACTION:** The Board passed the resolution on unanimous roll call vote based on the Brown Act finding.

**ITEM:**

**1. HEARING OFFICER DECISIONS**

- a. Ralph Colavito  
1428 Unit Clerk - SFGH  
Ordinary Retirement Disability  
Effective: June 4, 1994 Granted
- b. Douglas O. Robbins  
H-2 Firefighter - Fire Dept.  
Industrial Disability Retirement/Stipulation  
Effective: December 4, 1993 Granted

**2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN**

Lawrence Weber

**ACTION:** It was moved by Gibson, seconded by Meiberger to approve the Supplemental Calendar; motion passed 5-0.

**GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

- 1. Recent City Hall contacts, including a meeting with the City Attorney to discuss the availability of light duty at San Francisco International Airport.
- 2. A letter reporting the progress of the implementation of Proposition L (Workers' Compensation) has been sent to the Mayor by the Director of Human Resources.
- 3. Staff has met with representatives from the Budget Analyst to review the FY 1994-95 budget.
- 4. The General Manager, Actuary, City Attorney and Commissioner Ashe met with representatives from the Mayor's Office to discuss Charter Reform proposals.

5. Supervisor Kaufman has introduced a draft early retirement proposal.
6. A list of educational opportunities was distributed.
7. Negotiations have been completed on the Reviewco contract.
8. Legislation authorizing Workers' Compensation coverage for General Assistance/Workfare recipients has been passed by the Board of Supervisors and signed by the Mayor.
9. The Executive Assistant to the General Manager has resigned to accept a position with the Department of Public Health effective July 1, 1994.
10. Ms. Murphy has met with representatives from the City Attorney and Payroll to discuss the Deferred Compensation provisions in the Local 21 Memorandum of Understanding.
11. Proposition F (Post Retirement Employment) passed on the June 7, 1994 ballot.
12. An update was provided on current personnel vacancies.
13. The Return to Work Subcommittee of the Workers' Compensation Task Force has proposed a draft Civil Service Rule to establish a City-wide Return to Work Program.

### **ACTUARY'S REPORT**

Kieran Murphy, Actuary, and the Board discussed a proposed Charter Amendment to extend continuation benefits to domestic partners.

### **CITY ATTORNEY'S REPORT**

Dan Maguire, Deputy City Attorney, reported on legal issues regarding a possible Deferred Compensation Participant Fee.

### **BOARD MEMBERS**

The Board expressed their appreciation to Commissioner Gibson for her service on the Board. Commissioner Gibson's term on the Board will end on July 1, 1994.

There being no further business, the Board adjourned its regular meeting in honor of Commissioner Gibson at 7:10 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Clare M. Murphy". The signature is written in dark ink and is positioned above the printed name and title.

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

TUESDAY, JULY 12, 1994

12:00 NOON

DOCUMENTS DEPT.

AUG 1 1994

SAN FRANCISCO  
PUBLIC LIBRARY

Present: Constance M. Hiatt  
William Breall, M.D.  
Joseph D. Driscoll  
Herb Meiberger

Vice President  
Commissioner  
Commissioner  
Commissioner

Absent: Peter D. Ashe  
Angela Alioto

President  
Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of June 14, 1994

ACTION: No action. Held over to the next meeting.



## RETIREMENT BOARD

### REGULAR MEETING

### PUBLIC COMMENT

Vice President Constance Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### REGULAR CALENDAR

1. RESOLUTION COMMENDING BONNIE K. GIBSON ON HER SERVICE AS A MEMBER OF THE RETIREMENT SYSTEM BOARD

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Meiberger to adopt the resolution as amended; motion passed 4-0.

2. RESOLUTION CONGRATULATING NORMAN NICKENS ON THE OCCASION OF HIS DEPARTURE FROM THE RETIREMENT SYSTEM

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Driscoll to adopt the resolution; motion passed 4-0.

3. PRELIMINARY REPORT BY 457 DEFERRED COMPENSATION COMMITTEE

Commissioners Connie Hiatt and Joseph Driscoll and Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. RETIREMENT SYSTEM TRAVEL EXPENSE REPORT FOR FISCAL YEAR 1993-94

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. REQUEST TO DECLARE A VACANCY ON THE RETIREMENT BOARD EFFECTIVE FEBRUARY 21, 1995

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to declare a vacancy on the Retirement Board effective February 21, 1995 and finalize the time schedules to implement the necessary tasks to be done; motion passed 4-0.

6. REQUEST FOR AUTHORIZATION FOR KIERAN MURPHY, ACTUARY TO ATTEND THE CONFERENCE OF CONSULTING ACTUARIES 1994 ANNUAL MEETING TO BE HELD IN MAUI, HAWAII ON OCTOBER 2-5, 1994

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Breall to approve the request for authorization for Kieran Murphy, Actuary, to attend the conference of Consulting Actuaries 1994 Annual Meeting to be held in Maui, Hawaii on October 2-5, 1994; motion passed 4-0.



## INVESTMENT CALENDAR

### 1. REVIEW AND APPROVAL OF THE FINALIST CANDIDATES FOR EMERGING MARKET MANAGER

Kenneth L. Shaffer, Chief Investment Officer, Carolyn Hamilton, Portfolio Manager, Mark Coleman, Security Analyst, and Inga Sweet of Callan Associates, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to approve the finalist candidates for emerging market manager namely; Capital International Inc., Montgomery Asset Management L.P., J.P. Morgan Investment Management Inc., Morgan Stanley Asset Management, Schroder Capital Management International and Templeton Investment Counsel Inc.; motion passed 4-0.

### 2. REVIEW AND APPROVAL OF THE FINALIST CANDIDATES FOR INTERNATIONAL SMALL CAPITALIZATION MANAGER

Kenneth L. Shaffer, Chief Investment Officer, Carolyn Hamilton, Portfolio Manager, Mark Coleman, Security Analyst, and Inga Sweet of Callan Associates, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Hiatt to approve the finalist candidates for international small capitalization manager namely, Dimensional Fund Advisors Inc., Dunedin Fund Managers Limited, Pictet International Management Limited, Seligman Henderson Company, and Wellington Management Company; motion passed 3-1 (Meiberger).

### 3. REVIEW AND APPROVAL OF ANNUAL INVESTMENT PLAN FOR METRIC INSTITUTIONAL REALTY

Gary Hiatt, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Driscoll to approve the annual investment plan for Metric Institutional Realty; motion passed 4-0.

4. **REPORT ON 1993 PROXY SEASON**

Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Commissioner Driscoll requested staff to evaluate alternative proxy management methodologies.

This was an information item only; no action was taken.

5. **UPDATE ON 1994 PROXY SEASON**

Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

6. **CHIEF INVESTMENT OFFICER'S REPORT**

a. **Proxy Votes**

There were no proxy votes.

- b. Kenneth Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of June, 1994, and outlined efforts to improve the Sharpe Ratio by expanding diversification of the portfolio.

This was an information item only; no action was taken.

## **CONSENT CALENDAR**

The following items were presented:

1. a. **VOLUNTARY RETIREMENT BOARD LIST NO. 24-93**

- b. VOLUNTARY RETIREMENT BOARD LIST NO. 1-94
- 2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
  - a. Hugh Buttery \$ 25,000.00
  - b. Marion D. Lewis \$ 2,000.00
  - c. Alice N. Neal \$ 12,500.00
  - d. Jose Olivares \$ 10,000.00
  - e. John L. Rebholtz \$ 10,000.00
- 3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM
  - a. Michael Deulibbari \$ 314.06
  - b. Donald Moorehouse \$ 715.28
  - c. Jehvie Reverente \$ 2,233.51
  - d. Earnest Taylor \$ 2,500.00
  - e. Gregory Wiggins \$ 5,500.00
- 4. DECISION OF HEARING OFFICER
  - a. Clanera Chan  
1444 Secretary I - Adult Probation  
Ordinary Retirement Disability  
Effective Date: June 25, 1994 Granted
  - b. James P. Gilleran  
H-20 Lieutenant - Fire Department  
Industrial Disability Retirement/Stipulation Denied
  - c. Lloyd Hastings  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective: December 25, 1993 Granted

- d. John D. Krueger  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective: July 16, 1994 Granted
  
- e. Robert J. Sirois  
H-2 Firefighter - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective: January 3, 1994 Granted
  
- f. Sheila Weber  
2912 Senior Social Worker - Social Services  
Ordinary Retirement Disability Denied
  
- g. Donald Woolard  
Q-2 Police Officer - Police Department  
Determination Denied
  
- 5. PETITION FOR REHEARING  
  
 Thomas McGrath  
 0380 Inspector - Police Department  
 Industrial Disability Retirement/Stipulation  
 Effective Date: September 30, 1992 Granted
  
- 6. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
  - a. Dorothy Amara
  - b. Victor M. Gonzalez
  - c. Ella Rae Jamerson
  - d. Helen Patek
  - e. Warren T. Robinson III
  - f. Sharon D. Thrower
  - g. Lorenzo D. Ursua
  - h. Melvin L. Williams

**ACTION:** It was moved by Breall, seconded by Meiberger to approve the Consent Calendar; motion passed 4-0.

## **GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Recent City Hall contacts, including a meeting with the Workers' Compensation Task Force to discuss the RFP for Medical Treatment Facility and Noetics contract.
2. Proposition L Implementation wherein Bill Lee, Health Services Administrator, will act as coordinator between the Department of Human Resources and Workers' Compensation Division.
3. Report on Budget
4. Proposed Charter Reform
5. Update on Educational Opportunities
6. Hartford letter on General Account interest rate was distributed.
7. Supervisor Leal introduced a resolution that the Board give due consideration to joint ventures including San Francisco General Hospital in the bidding process for a Medical Treatment Facility.
8. Recommended that the Special Meeting on September 14, 1994 be moved to August 31, 1994.
9. Discussion of proposed Charter Amendment establishing domestic partnership rights that are similar to qualified spousal rights.
10. Teambuilding meeting to be rescheduled to November, 1994.

## **ACTUARY'S REPORT**

Kieran Murphy, Actuary, and the Board discussed an update of proposed Charter Amendment to extend continuation benefits to domestic partners and a collective bargaining agreement on wage freeze except nurses, police, fire and MUNI employees.

## CITY ATTORNEY'S REPORT

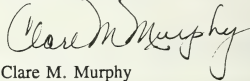
No report was made.

### BOARD MEMBERS

Vice President Constance Hiatt reported on Budget Hearing of June 28, 1994.

There being no further business, the Board  
adjourned its regular meeting at 4:37 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Clare M. Murphy".

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.

MEMORANDUM

July 20, 1994

DOCUMENTS DEPT.

AUG 1 1994

 SAN FRANCISCO  
 PUBLIC LIBRARY

To: The Retirement Board

 From: Clare M. Murphy  
 General Manager

 Subject: PROSPECTIVE RETIREMENT BOARD MEETING SCHEDULE AND  
 TOPICS

DATE	TIME	TENTATIVE TOPICS
07/26/94	12:00 noon	<b>Regular Meeting</b> Strategic Plan Update Unfinished Business List Recording Proceedings of Special Meetings on August 2, 3 and 31, 1994 Workers' Compensation Annual Bill Review and PPO Savings Report Concepts and Status of the Automated Retirement Systems Consultant Finalists Recommendation
08/02/94	10:00 a.m.	<b>Special Meeting</b> International Emerging Market Manager Presentations
08/03/94	10:00 a.m.	<b>Special Meeting</b> International Small Cap Manager Presentations
08/09/94	12:00 noon	<b>Regular Meeting</b> Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation International Small Cap/Emerging Market Manager Selections
08/30/94	12:00 noon	<b>Regular Meeting</b> Strategic Plan Update Unfinished Business Report Callan Associates Presentation External Manager Presentation Alternative Investment Presentation

DOCUMENTS DEPARTMENT  
AUG 1 1994  
SAN FRANCISCO  
PUBLIC LIBRARY

DATE	TIME	TENTATIVE TOPICS
08/31/94	10:00 a.m.	<b>Special Meeting</b> Consultant Finalist Presentations
09/13/94	12:00 noon	<b>Regular Meeting</b> Deferred Compensation Annual Report Quarterly Report on International Investments Approval of Medical Treatment Facility Finalist List
09/14/94	11:00 a.m.	<b>Rescheduled to August 31, 1994</b>
09/23/94	8:30 a.m.	<b>Rescheduled to November, 1994</b>
09/27/94	12:00 noon	<b>Regular Meeting</b> Strategic Plan Update Unfinished Business Report Annual Report Alternative Investment Presentation Domestic Equity Review Real Estate Manager Presentation Quarterly Report on Real Estate Performance Consultant Finalist Selection
10/11/94	12:00 noon	<b>Regular Meeting</b> Report on Fixed Income Soft Dollars
10/12/94	10:00 a.m.	<b>Special Meeting</b> Medical Treatment Facility Presentations
10/25/94	12:00 noon	<b>Regular Meeting</b> Strategic Plan Update Unfinished Business List Medical Treatment Facility Selection
10/26/94	8:30 a.m.	<b>Special Meeting</b> Strategic Plan Review Facilitated Meeting

C:\WPFILE\BOARD\SCHEDULE\FORWARD





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

AUG 15 1994

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, JULY 26, 1994

12:00 NOON

Present: Constance M. Hiatt Vice President  
William Breall, M.D. Commissioner  
Joseph D. Driscoll Commissioner  
Herb Meiberger Commissioner

Absent: Peter D. Ashe President  
Angela Alioto Supervisor

Clare M. Murphy General Manager  
Retirement System

MINUTES: Minutes of the Regular Meetings of June 14, 1994 and July 12, 1994

ACTION: Approved as amended.



## RETIREMENT BOARD

### REGULAR MEETING

### PUBLIC COMMENT

Vice President Constance Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### REGULAR CALENDAR

#### 1. STRATEGIC PLAN MONTHLY PROGRESS REVIEW

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken.

#### 2. UNFINISHED BUSINESS LIST

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken.

#### 3. WORKERS' COMPENSATION ANNUAL BILL REVIEW AND PPO SAVINGS REPORT

Clare M. Murphy, General Manager, and Brian Narlock, Division Manager, Workers' Compensation, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. CONCEPTS AND STATUS OF THE AUTOMATED RETIREMENT SYSTEMS

Linda Richards, Information Systems Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. REQUEST FOR DISMISSAL OF APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT WITH STIPULATION - PHILIP DUNNIGAN

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Driscoll to accept the approve the request for dismissal of application for industrial disability retirement with stipulation for Philip Dunnigan; motion passed 4-0.

6. RECORDING PROCEEDINGS OF SPECIAL MEETINGS ON AUGUST 2, 3, AND 31, 1994

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger not to shorthand report the proceedings of August 2, 3 and 31, 1994; motion passed 4-0.

7. REQUEST FOR AUTHORIZATION FOR MARIA NEWPORT, ADMINISTRATOR, RETIREMENT SERVICES, TO ATTEND THE LOS ANGELES DISTRICT BENEFITS CONFERENCE TO BE HELD IN LOS ANGELES, CA ON SEPTEMBER 8-9, 1994

Clare Murphy, General Manager, presented a written and oral report to the Board on this

item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Breall to approve the request for authorization for Maria Newport to attend the Los Angeles District Conference to be held in Los Angeles, CA on September 8-9, 1994; motion passed 4-0.

8. REQUEST FOR AUTHORIZATION FOR MARIA NEWPORT AND LINDA RICHARDS TO CONDUCT A SITE VISIT TO OBSERVE PEOPLESOFT APPLICATION TO BE HELD IN HOUSTON, TEXAS ON AUGUST 7-9, 1994

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Driscoll to approve the request for authorization for Maria Newport and Linda Richards to conduct a site visit to observe PeopleSoft Application to be held in Houston, Texas on August 7-9, 1994; motion passed 4-0.

9. REQUEST FOR AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER TO CONDUCT AN ON-SITE DUE DILIGENCE WITH GROTECH PARTNERS TO BE HELD IN BALTIMORE, MD WITH A DATE TO BE DETERMINED IN AUGUST, 1994

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Breall to approve the request for authorization for Gary Hiatt to conduct an on-site due diligence with Grotech Partners to be held in Baltimore, MD with a date to be determined in August, 1994; motion passed 4-0.

10. REQUEST FOR AUTHORIZATION FOR TWO STAFF MEMBERS TO CONDUCT AN ON-SITE DUE DILIGENCE VISIT TO CONSULTANT CANDIDATES TO BE HELD IN LOS ANGELES, CA WITH A DATE TO BE DETERMINED IN AUGUST OR SEPTEMBER, 1994

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Breall to approve the request for authorization for two staff members to conduct an on-site due diligence visit to Consultant candidates to be held in Los Angeles, CA with a date to be determined in August or September, 1994; motion passed 4-0.

## INVESTMENT CALENDAR

1. REVIEW AND APPROVAL OF THE FINALIST CANDIDATES FOR CONSULTANT SERVICES

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Commissioner Driscoll requested copies of reports from the consultants to be delivered to him by August 17, 1994. In light of Commissioners' schedules, the Board will deliberate and may select a finalist consultant at the meeting of August 31, 1994.

**ACTION:** It was moved by Breall, seconded by Driscoll to approve the finalist candidates for consultant services namely; Asset Strategy Consulting, Callan Associates, Inc., Pension Consulting Alliance, Inc., Strategic Investment Solution, Inc., William Mercer, Inc. and Wilshire Associates, Inc.; motion passed 4-0.

2. CHIEF INVESTMENT OFFICER'S REPORT

- a. Proxy Votes

There were no proxy votes.

- b. Kenneth Shaffer, Chief Investment Officer, updated the Board on the alternative investments and different companies the City invests and on the due diligence. The Board was informed of the commercial mortgages. Townsend has sent out an RFI. Anyone interested in getting a copy should contact Mr. Shaffer.

This was an information item only; no action was taken.

## CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 2-94
2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
  - a. Annette Johnson \$ 2,500.00
  - b. Dawn Walker \$ 30,000.00
3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM
  - a. Debra Fong Borthne \$ 1,800.00
  - b. Alfredo Joves \$ 3,100.00
  - c. Jody L. Monahan \$ 9,500.00
  - d. Linda Marie Silva \$ 6,309.03
  - e. Thomas Taylor \$ 1,450.00
4. DECISION OF HEARING OFFICER
  - a. Ernest Butler  
2604 Food Service Worker - Juvenile Hall  
Ordinary Retirement Disability  
Effective Date: December 1, 1993  
Granted
  - b. Daniel Fitzsimmons  
1650 Accountant - San Francisco Unified School District  
Ordinary Retirement Disability  
Effective Date: April 16, 1994  
Granted

- c. Mark W. Huntley  
H-2 Firefighter - Fire Department  
Industrial Disability Retirement  
Effective Date: July 3, 1994 Granted
- d. Patricia McCoy  
8238 Police Communication Dispatcher - Police Department  
Ordinary Retirement Disability  
Effective: January 1, 1994 Granted
- e. Leonard Peoples  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective: April 1, 1994 Granted
- f. Sheila L. Silas  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement Denied
- g. Thomas M. Thornton  
5504 Project Manager II - Public Works  
Ordinary Retirement Disability  
Effective Date: July 23, 1994 Granted

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Cheryl Austin
- b. Marilou Dudley

6. APPLICATION FOR BIRTHDATE CORRECTION - DONALD L. OGREN

7. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF JULY 12, 1994

- ACTION:**
- 1. It was moved by Breall, seconded by Driscoll to approve the Consent Calendar items except item no. 7; motion passed 4-0.
  - 2. Request relating to item no. 7 withdrawn by Commission Meiberger.



## GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Ms. Murphy updated the Board of the different City Hall contact meetings and that Brian Narlock was also attending a Health and Human Services meeting.
2. Clare Murphy, Wendell Pryor and Bill Lee are working on the implementation of Proposition L and are meeting regularly.
3. The Board of Supervisors approve the City's budget with a \$14,500 reduction of salary for the Workers' Compensation Division Budget.
4. The Board of Supervisors voted not to submit the Charter Reform Proposal to the voters.
5. Ms. Murphy reminded the Board of the special meetings in August.
6. Ms. Murphy reported on the IFE conference she and Ken Shaffer attended.

## ACTUARY'S REPORT

No report was made.

## CITY ATTORNEY'S REPORT

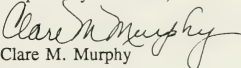
Dan Maguire, Deputy City Attorney, will write to Mike Hebel and explain that the City's Trust Fund cannot be used to pay for administrative expenses attached to the Deferred Compensation Plan.

## BOARD MEMBERS

Commissioner Breall commended Commissioner Hiatt for acting as President of the Board with skill and professionalism.

There being no further business, the Board adjourned its regular meeting at 3:02 p.m.

Respectfully submitted,

  
Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Lori Krieger, Adams Reporting Services.



P

A



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

AUG 15 1994

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, AUGUST 2, 1994

10:00 A.M.

Present:

Peter D. Ashe

President

William Breall, M.D.

Commissioner

Joseph D. Driscoll

Commissioner

Herb Meiberger

Commissioner

Absent:

Angela Alioto

Supervisor

Constance M. Hiatt

(RECUSED)

Vice President

Clare M. Murphy

General Manager  
Retirement System



## RETIREMENT BOARD

### SPECIAL MEETING

### PUBLIC COMMENT

President Peter D. Ashe reviewed Public comment procedures for the attendees. No comments were made at this time.

**ACTION:** It was moved by Driscoll, seconded by Meiberger to recuse Commissioner Constance Hiatt upon the advice of the City Attorney from consideration of International Emerging Market Manager Search in order to avoid any appearance of conflict of interest; motion passed 4-0. ,

### REGULAR CALENDAR

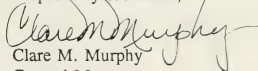
#### 1. INTERNATIONAL EMERGING MARKET MANAGER PRESENTATIONS

Representatives from Morgan Stanley Asset Management, Schroder Capital Management International, Templeton Investment Counsel Inc., Capital International Inc., Montgomery Asset Management L.P., and J.P. Morgan Investment Management Inc., presented written and oral reports to the Board on this item.

The Board, staff and consultant reviewed and discussed the material and engaged in a question and answer session with the firm representatives. Subsequent to the presentations, the Board provided directions to staff and consultant. The Board determined to consider the selection of international emerging market manager(s) at their meeting on Tuesday, August 9, 1994.

There being no further business, the Board adjourned its regular meeting at 5:30 p.m.

Respectfully submitted,

  
Clare M. Murphy  
General Manager





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

AUG 15 1994

SAN FRANCISCO  
PUBLIC LIBRARY

WEDNESDAY, AUGUST 3, 1994

10:00 A.M.

Present:

Peter D. Ashe

President

Constance M. Hiatt

Vice President

William Breall, M.D.

Commissioner

Joseph D. Driscoll

Commissioner

Herb Meiberger

Commissioner

Absent:

Angela Alioto

Supervisor

Clare M. Murphy

General Manager  
Retirement System





## RETIREMENT BOARD

### SPECIAL MEETING

### PUBLIC COMMENT

President Peter D. Ashe reviewed Public comment procedures for the attendees. No comments were made at this time.

### REGULAR CALENDAR

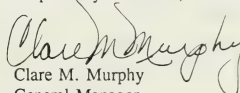
#### 1. INTERNATIONAL SMALL CAPITALIZATION MANAGER PRESENTATIONS

Representatives from Dimensional Fund Advisors Inc., Dunedin Fund Managers Limited, Wellington Management Company, Seligman Henderson Company, and Pictet International Management Limited, presented written and oral reports to the Board on this item.

The Board, staff and consultant reviewed and discussed the material and engaged in a question and answer session with the firm representatives. The Board discussed with staff and consultant additional data and analysis which the Board requires for its further consideration. In addition, the Board, staff and consultant discussed questions relating to asset allocation in order to fund both the international emerging market manager(s) and small capitalization manager(s). The Board agreed to consider the question of selecting an international small capitalization manager at their meeting on Tuesday, August 9, 1994.

There being no further business, the Board adjourned its regular meeting at 5:00 p.m.

Respectfully submitted,

  
Clare M. Murphy  
General Manager





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.  
SEP - 7 1994  
SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, AUGUST 9, 1994

12:00 NOON

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor

Clare M. Murphy	General Manager Retirement System
-----------------	--------------------------------------

MINUTES: Minutes of the Regular Meeting of July 26, 1994 and special meetings of August 2 and 3, 1994

ACTION: Approved as amended.



## RETIREMENT BOARD

### REGULAR MEETING

### PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### REGULAR CALENDAR

1. RETIREMENT RELATED CHARTER AMENDMENTS PROPOSED FOR NOVEMBER, 1994 BALLOT

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; item was continued to August 30, 1994 meeting.

2. MEDIA COMMITTEE REPORT

Commissioners Joseph Driscoll and Constance Hiatt and Clare Murphy, General Manager presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. The Board thanked the Committee for their efforts.

**ACTION:** It was moved by Meiberger, seconded by Breall to adopt the media plan; motion passed 5-0.

3. REQUEST FOR AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO CONDUCT DUE DILIGENCE MEETINGS WITH VARIOUS ALTERNATIVE INVESTMENT GROUPS TO BE HELD IN LONDON ON SEPTEMBER 19-23, 1994

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Additional firms were suggested by Board members for inclusion in Mr. Hiatt's itinerary.

**ACTION:** It was moved by Meiberger, seconded by Hiatt to approve the request for authorization for Gary Hiatt, Portfolio Manager, to conduct due diligence meetings with various alternative investment groups to be held in London on September 19-23, 1994; motion passed 5-0.

4. REQUEST FOR AUTHORIZATION FOR HERB MEIBERGER, BOARD MEMBER, TO ATTEND THE SCUDDER'S 1994 INSTITUTIONAL CLIENT CONFERENCE TO BE HELD IN CARMEL, CA ON SEPTEMBER 28-OCTOBER 1, 1994

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Breall to approve the request for authorization for Herb Meiberger, Board member, to attend the Scudder's 1994 Institutional Client Conference to be held in Carmel, CA on September 28-October 1, 1994; motion passed 5-0.

## INVESTMENT CALENDAR

1. REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1994

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. REVIEW OF THE DOMESTIC FIXED INCOME PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1994

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. REVIEW OF THE DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1994

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. STAFF RECOMMENDATION ON ASSET ALLOCATION FOR THE QUARTER ENDING OCTOBER 31, 1994

Kenneth L. Shaffer, Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Hiatt to approve the staff recommendation as amended to reflect \$60 million to Emerging Markets and \$60 million to International Small Cap and a decrease of \$130,498,528 from Internal Fixed Income; motion passed 5-0. Attached is an amended asset allocation summary.

5. FINAL SELECTION OF INTERNATIONAL EMERGING MARKET MANAGER

Commissioner Hiatt was recused from this discussion due to Retirement Board action of July 26, 1994.

Kenneth L. Shaffer, Chief Investment Officer, Mark Coleman, Security Analyst, and Inga Sweet of Callan Associates presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

- ACTION:**
1. It was moved by Driscoll, seconded by Breall to select Capital International to serve as Emerging Market Manager and commit \$60 million and direct staff and selected manager to propose a takedown schedule; motion passed 4-0 (Hiatt recused).
  2. It was moved by Driscoll, seconded by Meiberger to direct staff to inquire of managers on proposed plans to takedown monies and for staff to present recommendation to the Retirement Board meeting; motion passed 4-0 (Hiatt recused).

6. **FINAL SELECTION OF INTERNATIONAL SMALL CAPITALIZATION MANAGER**

Kenneth L. Shaffer, Chief Investment Officer, Carolyn Hamilton, Portfolio Manager, and Ann DeLuce of Callan Associates presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

- ACTION:** It was moved by Meiberger, seconded by Driscoll to invite Dunedin Fund Managers Limited and Pictet International Management Limited to make further presentations at the next Board meeting; motion passed 4-1 (Breall).

7. **CHIEF INVESTMENT OFFICER'S REPORT**

a. **Proxy Votes**

There were no proxy votes.

- b. Kenneth Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of July, 1994. Mr. Shaffer also discussed with the Board Wyatt Investment Consulting's letter to the Board their request to be invited to make a presentation on August 31, 1994.

This was an information item only; no action was taken.

## **CONSENT CALENDAR**

The following items were presented:



1. VOLUNTARY RETIREMENT BOARD LIST NO. 3-94
2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE - AGLAIA POPE
3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
  - a. Anthony Barela \$ 4,000.00
  - b. Khaalid S. Qaabil \$ 7,500.00
4. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM
  - a. Robert Donohue \$ 40,000.00
  - b. Stephen Engler \$ 880.53
  - c. Stephen T. Freeman \$ 25,000.00
  - d. Peter Lee \$ 3,549.93
  - e. Felino Megino \$ 3,917.62
  - f. Danon Ross \$ 3,300.00
  - g. Ronald Timberlake \$ 5,329.76
5. DECISION OF HEARING OFFICER
  - a. James Arnold  
0488 Commander - Police Department  
Industrial Disability Retirement  
Effective Date: September 8, 1994  
Granted
  - b. Harris Cleveland  
2913 Program Specialist - Social Services  
Ordinary Retirement Disability  
Effective Date: July 1, 1994  
Granted
  - c. Dennis F. Fauss  
H-40 Battalion Chief - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective Date: August 18, 1993  
Granted

- d. James Lassus  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement  
Effective Date: January 1, 1993 Granted
- e. Delores S. Lejender  
2302 Orderly - Public Health\Laguna Honda Hospital  
Ordinary Retirement Disability  
Effective: March 1, 1994 Granted
- f. John Paez  
1231 Assoc. Affirmative Action Coordinator - Public Utilities Commission  
Ordinary Retirement Disability/Vested  
Effective: March 12, 1994 Granted
- g. Damaso R. Soberon  
7256 Electric Motor Repair Supervisor I - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: November 1, 1993 Granted
- h. James M. Thompson  
H-2 Fire Fighter - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective Date: April 19, 1993 Granted

6. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Francisco N. Abarca
- b. Timothy S. Holt
- c. Ann Marie Young

**ACTION:** It was moved by Breall, seconded by Hiatt approve the Consent Calendar items; motion passed 5-0.

### SUPPLEMENTAL CALENDAR

(a) [Serious Injury Finding]

Motion that the Board find by roll call vote that for the resolution(s) being considered at this time "the need to take action is so imperative as to threaten serious injury to the public interest if action is deferred to a later meeting."

(c) [Brown Act Finding]

Motion that the Board find by roll call vote that for the resolutions being considered at this time there is a need to take immediate action and the need to take action came to the attention of the City and County of San Francisco after the agenda was posted.

- ACTION:**
1. It was moved by Hiatt, seconded by Breall to make serious injury and Brown Act findings based on the fact that the Wyatt request just arrived and the next Board meeting is not until August 30, 1994; motions passed 5-0.
  2. It was moved by Driscoll, seconded by Hiatt to extend offer to Wyatt Investment Consulting to make a presentation at the end of the day on August 31, 1994; motion passed 3-2 (Meiberger, Ashe).

## GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. City Hall contact reports.
2. Proposition L Implementation update included report on meetings and appointment of Barrie Stewart as Special Assistant to Division Manager, Workers' Compensation Division.
3. Update on Educational Opportunities
4. Report on the Budget.
5. New tape recording technology.
6. Medical Treatment Facility proposals are due August 11, 1994 at 5:00 p.m.
7. Non-profit membership in State Association of California Retirement Systems was discussed and approved.
8. Update was provided on various labor negotiations.

## ACTUARY'S REPORT

No report was made.

## CITY ATTORNEY'S REPORT

No report was made.

### BOARD MEMBERS

Commissioners Herb Meiberger and Peter Ashe reported concerning public meeting to consider recommended candidates to Mayor Jordan for Retirement Board vacancies. President Ashe agreed to make a presentation on Pacific Pension Institute.

There being no further business, the Board adjourned its regular meeting at 7:15 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Clare M. Murphy".

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Lori Krieger, Adams Reporting Services.

==

**AMENDED**  
**RECOMMENDED ASSET ALLOCATION**  
**FOR THE QUARTER ENDING OCTOBER 31, 1994**

Projected Net Contributions/withdrawals	(36,000,000)
Projected Income	<u>78,019,395</u>
Total Available for Allocation	42,019,395

SECTOR	PORTFOLIO	MARKET VALUE 06/30/94	ANTICIPATE INCOME*	ADDITIONS (DELETIONS)	CURRENT WEIGHTING
Domestic Equity	Index	530,243,418	3,751,472	( 3,751,471)	29.6
	Internal	169,689,714	1,696,897		9.5
	McCullough	124,363,958	553,420		6.9
	Nicholas Applegate	197,497,090	162,935		11.0
	Hanson	157,182,155	844,854	(40,000,000)	8.8
	RCM	247,155,478	945,013		13.8
	Lehman-Ark	243,404,998	1,679,494		13.6
	Provident Investment Council	53,856,363	117,138		3.0
	Dietche & Field	<u>66,833,778</u>	<u>145,363</u>		<u>3.8</u>
	TOTAL	1,790,226,952	9,896,586	(43,751,472)	29.8
Inter- national Equity	Emerging Markets			60,000,000	
	International Small Cap			60,000,000	
	Capital Guardian	266,586,331	1,246,291	(40,000,000)	58.0
	Walter Oechsle	<u>192,968,338</u>	<u>-689,862</u>		<u>42.0</u>
	TOTAL	459,554,669	1,936,153	80,000,000	7.7
Alter- native Invest- ment	Alta Subordinate Debt III	3,992,983		1,000,000	2.6
	Weston Presidio Offshore	3,150,114		500,000	2.1
	Merit Energy Partner VI	16,736,069		2,500,000	11.1
	Vestar Equity Partners	1,554,179		2,500,000	1.0
	Advent VII L.P.	1,447,212		500,000	0.9
	Arral Pacific				
	Equity Trust II	5,237,357			3.5
	TCW Special Credit Fund IV	10,000,000			6.7
	Foothill Partners II L.P.	7,549,085		500,000	5.0
	A.P.A. European Ventures	4,091,868			2.7
	Castle Harlan	3,229,595		600,000	2.1
	A.P.A. Capital Risque III	2,094,375			1.3
	Hellman Friedman	6,287,610			4.2
	Madison Dearborn	3,983,082			2.6
	Zell/Chilmark	18,633,686		500,000	12.5
	First Reserve Fund VI	2,095,373		200,000	1.3
	Belmont Capital II	9,922,427			6.6
	TPG Partners	1,488,258		3,000,000	0.9

Recommended Asset Allocation  
For the quarter ending October 31, 1994  
Page 2

SECTOR	PORTFOLIO	MARKET VALUE 6-30-94	ANTICIPATE INCOME*	ADDITION (DELETIONS)	CURRENT WEIGHTING
Alternative Investments	Menlo Ventures	1,300,000			0.8
	TCW Royalty Fund IV	1,487,000		1,000,000	0.9
	Battery Ventures III			450,000	0.0
	Crossroads	25,081,991			16.7
	Alta V	4,029,888		1,000,000	2.7
	Rimco Partners	9,126,642			6.1
	Summit Ventures III L.P.	5,310,729			3.5
	Cash Reserves	<u>1,494,149</u>	<u>14,941</u>		<u>1.0</u>
	TOTAL	149,323,672	14,941	14,250,000	2.5
Domestic Fixed Income	Internal**	1,800,448,957	34,838,687	(130,498,528)	71.5
	Private	58,805,092	308,727		2.3
	Mackay	212,865,692	3,783,688		8.5
	Scudder	251,018,012	4,606,181		9.9
	TCW	<u>196,005,174</u>	<u>4,468,918</u>		<u>7.8</u>
	TOTAL	2,519,142,927	48,006,201	(130,498,528)	42.0
International Fixed Income	Brinson Partners	402,644,619	8,978,975		55.3
	Warburg	<u>325,209,850</u>	<u>6,577,369</u>		<u>44.7</u>
	TOTAL	727,854,469	15,556,344		12.1
Real Estate	Coldwell Banker	48,409,327	242,046		13.6
	Schroder A	21,955,089	109,775		6.1
	JMB I	14,589,548	143,054		4.1
	Lehndorff Babson	92,438,855	1,015,812		25.6
	Metric Realty	50,000,000	250,000		14.0
	RREEF	55,628,151	486,747	10,000,000	15.6
	Pacific Acquisition/ Stoneson Dev.	10,019,288	46,624		2.8
	RREEF General	29,181,163	144,476	10,000,000	8.2
	AMB	20,547,729	101,262	24,000,000	5.8
	CASH RESERVES	<u>13,919,963</u>	<u>69,374</u>		<u>3.9</u>
	TOTAL	356,689,113	2,609,170	44,000,000	5.9
	Total Allocation	<u>6,002,791,802</u>	<u>78,019,395</u>	<u>(36,000,000)</u>	<u>100.0</u>

\*Income to be allocated to the respective manager except for domestic equity index fund.

\*\*\$35 million to invest in RREEF General and \$10 million to invest in AMB.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

OCT 5 1994

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, AUGUST 30, 1994

10:00 A.M.

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Herb Meiburger	Commissioner
	Angela Alioto	Supervisor

Clare M. Murphy	General Manager Retirement System
-----------------	--------------------------------------

MINUTES: Minutes of the Regular Meeting of August 9, 1994

ACTION: Approved as amended.

# REPORT

ON THE PROGRESS OF THE WORK DURING THE YEAR 1900

AND ON THE RESULTS OF THE RESEARCHES

CONDUCTED BY THE

COMMISSIONERS OF THE

GENERAL LAND OFFICE

IN THE YEAR 1900



## RETIREMENT BOARD

### REGULAR MEETING

### PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### REGULAR CALENDAR

#### 1. STRATEGIC PLAN MONTHLY PROGRESS REVIEW

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken. This was an information item only.

#### 2. UNFINISHED BUSINESS LIST

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken. One item was added for report on September 27, 1994 unfinished business list.

#### 3. RETIREMENT RELATED CHARTER AMENDMENT PROPOSED FOR NOVEMBER, 1994 BALLOT

Kieran Murphy, Actuary, presented a written and oral report to the Board concerning Proposition H, the Domestic Partner Retirement Continuation Charter Amendment.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. The Board discussed the basis and appropriateness of taking a Board

position on this proposed legislation. Board members expressed concern regarding Commissioner Herb Meiberger's submission of an opposing argument.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to adopt the Board position in opposition to Proposition H; motion failed 1-4 (Ashe, Breall, Driscoll, Hiatt).

4. REQUEST FOR AUTHORIZATION FOR BRIAN NARLOCK AND BILL LEE TO ATTEND THE 3RD ANNUAL WORKERS' COMPENSATION AND MANAGED CARE SYMPOSIUM TO BE HELD IN SAN FRANCISCO, CA ON SEPTEMBER 21-23, 1994

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to approve the request for authorization for Brian Narlock and Bill Lee to attend the 3rd Annual Workers' Compensation and Managed Care Symposium to be held in San Francisco, CA in San Francisco, CA on September 21-23, 1994; motion passed 5-0.

5. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER, TO ATTEND THE LOWE ENTERPRISES FALL INVESTORS CONFERENCE TO BE HELD IN SUNRIVER, OREGON ON SEPTEMBER 23-26, 1994

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to approve the request for authorization for Peter Ashe, Board member to attend the Lowe Enterprises Fall Investors Conference to be held in Sunriver, Oregon on September 23-26, 1994; motion passed 4-0 (Commissioner Constance Hiatt was not present for the vote).

6. REQUEST FOR AUTHORIZATION FOR BOARD MEMBERS TO ATTEND THE COUNCIL OF INSTITUTIONAL INVESTORS' SEMI-ANNUAL FALL MEETING TO BE HELD IN SAN FRANCISCO, CA ON OCTOBER 3-4, 1994

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Breall to approve the request for authorization for Board members to attend the Council of Institutional Investors' Semi-Annual Fall meeting to be held in San Francisco, CA on October 3-4, 1994; motion passed 4-0 (Commissioner Constance Hiatt was not present for the vote).

7. REQUEST FOR AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO ATTEND THE WESTON PRESIDIO'S ANNUAL ADVISORY MEETING TO BE HELD IN MONTREAL, CANADA ON OCTOBER 5-6, 1994

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to approve the request for authorization for Gary Hiatt, Portfolio Manager, to attend the Weston Presidio's Annual Advisory Meeting to be held in Montreal, Canada on October 5-6, 1994; motion passed 4-0 (Commissioner Constance Hiatt was not present for the vote).

8. REQUEST FOR AUTHORIZATION FOR CAROLYN HAMILTON, PORTFOLIO MANAGER, TO ATTEND THE SECOND ANNUAL INSTITUTIONAL INVESTOR ASIA-PACIFIC INVESTMENT FORUM TO BE HELD IN NEW YORK CITY ON OCTOBER 18-19, 1994 AND TO VISIT DIETCHE & FIELD ADVISORS, ARK ASSET MANAGEMENT AND AXE-HOUGHTON ASSOCIATES ON OCTOBER 20-21, 1994

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Driscoll to approve the request for authorization for Carolyn Hamilton, Portfolio Manager, to attend the Second Annual Institutional Investor Asia-Pacific Investment Forum to be held in New York City on October 18-19, 1994 and to visit Dietche & Field Advisors, Ark Asset Management and Axe-Houghton Associates on October 20-21, 1994; motion passed 4-0 (Commissioner Constance Hiatt was not present for the vote).

### CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 4-94
2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
  - a. Eugene Morris \$ 8,500.00
  - b. Patricia A. Wright \$ 4,500.00 to applicant  
\$ 1,984.00 to E.D.D.
3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM
  - a. Gay Archer-Reyna \$ 3,200.00  
with stipulation of no employer fault
  - b. Karen Carleton \$ 1,746.57
  - c. Diana Christensen \$ 787.18
  - d. Batiste Collins \$ 8,713.59
  - e. Deborah Fields \$ 977.29
  - f. Victor Munoz \$ 2,834.72
  - g. Theodore Tarver \$ 2,400.32

4. DECISION OF HEARING OFFICER

- |    |  |         |
|----|--|---------|
| a. | James Janakes<br>9210 Airport Police - Airport Commission<br>PERS  | Granted |
| b. | John A. Raber<br>3417 Gardener - Recreation and Park Department<br>Ordinary Retirement Disability<br>Effective Date: March 1, 1994 | Granted |
| c. | Bobbie J. White<br>1424 Clerk Typist - Juvenile Court<br>Ordinary Retirement Disability/Stipulation Vested                         | Denied  |
| d. | Jeremy Zatkin<br>Q-2 Police Officer - Police Department<br>Industrial Disability Retirement<br>Effective Date: July 12, 1993       | Granted |

5. PETITION FOR REHEARING

- |    |  |        |
|----|--|--------|
| a. | John L. Rebholtz<br>H-30 Captain - Fire Department<br>Industrial Disability Retirement/Stipulation     | Denied |
| b. | Richard R. Weick<br>0380 Inspector - Police Department<br>Industrial Disability Retirement/Stipulation | Denied |

6. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- |    |                    |
|----|--------------------|
| a. | George Gabriel     |
| b. | Anthony L. Gilford |
| c. | William E. Griffen |
| d. | Phil G. Sotto      |
| e. | Frances Willis     |
| f. | Joe Wyman          |

7. APPLICATION FOR BIRTHDATE CORRECTION

Sylvester Williams

8. REQUEST TO RESCIND THE CANCELLATION OF RETIREMENT APPLICATION

Flora Mae Davis

- ACTION:**
1. It was moved by Driscoll, seconded by Breall to have item no. 8 taken out of order at the beginning of the meeting; motion passed 5-0.
  2. It was moved by Breall, seconded by Driscoll to approve Consent Calendar items 1-7; motion passed 4-0 (Commissioner Constance Hiatt was not present for the vote).

[Supervisor Angela Alioto arrived at the meeting this time.]

## INVESTMENT CALENDAR

1. ALTERNATIVE INVESTMENT PRESENTATION - GROTECH PARTNERS IV, L.P.

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on Grotech Partners IV, L.P.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to approve investment \$10 million in Grotech Partners IV, L.P.; motion passed 6-0.

2. PRESENTATIONS BY CANDIDATES FOR INTERNATIONAL SMALL CAPITALIZATION MANAGER: PICTET INTERNATIONAL MANAGEMENT LIMITED AND DUNEDIN FUND MANAGERS LIMITED

Representatives from Pictet International Management Limited and Dunedin Fund Managers Limited presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

At the request of Supervisor Alioto, the Board revisited consideration of the Domestic Partnership Retirement Continuation Benefit Charter Amendment. After further discussion, it was moved by Alioto, seconded by Breall to support Proposition H on the November, 1994 ballot. The vote was 4 (Alioto, Breall, Driscoll, Hiatt) in favor and 2 (Ashe, Meiburger) opposed. Due to the Board Rule requiring 5 affirmative votes to take a position on pending legislation, the Retirement Board has no official position concerning Proposition H.

[Supervisor Alioto left the meeting at 2:50 p.m.]

### 3. FINAL SELECTION OF INTERNATIONAL SMALL CAPITALIZATION MANAGER

Kenneth L. Shaffer, Chief Investment Officer, and Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Breall to adopt staff's recommendation of August 30, 1994 to retain both Pictet International Management Limited and Dunedin Fund Managers Limited, and fund each at the \$30 million level provided that (a) an appropriate performance/risk benchmark for each manager be incorporated in the contract at least by memorandum, (b) funding of the manager take place over time on a schedule developed by the manager and San Francisco Employees' Retirement System staff, and (c) both managers be paid on the same fee schedule, such schedule to be less than the schedule proposed by Dunedin Fund Managers Limited in the staff memo of August 30, 1994; motion passed 5-0.

### 4. CALLAN ASSOCIATES PRESENTATION

Paul Erlendson of Callan Associates presented a written and oral report to the Board on this item. Mr. Erlendson recommended review of use of derivatives by external manager.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. EXTERNAL MANAGER PRESENTATIONS: BRINSON PARTNERS, INC.,  
NICHOLAS-APPLEGATE CAPITAL MANAGEMENT AND MCCULLOUGH,  
ANDREWS & CAPIELLO

Representatives from Brinson Partners, Inc., Nicholas-Applegate Capital Management and McCullough, Andrews & Capiello presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

6. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Kenneth Shaffer, Chief Investment Officer, reported that Mr. Richard (Dick) Piket was appointed to the Fixed Income Portfolio Manager position. The Townsend Group will be sending out Request for Proposals on commercial mortgages with report expected on September 27, 1994.

Commissioner Driscoll reported on investment titled AMCAL as a unique alternative investment vehicle meriting further investigation and on his visit to Brinson Partners, Chilmark Partners and Madison Dearborn in Chicago.

Commissioner Meiberger reported interest in ABRY Broadcast Partners II.

This was an information item only; no action was taken.

## GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. City Hall contact reports.
2. Proposition L Implementation continued meetings including Division meeting with Clare Murphy, Wendell Pryor, Bill Lee, Barrie Stewart and Brian Narlock.



3. Labor negotiations presently are including complex issues involving employer paid employee retirement contributions.
4. Special Assistant to General Manager position posted for application by September 6, 1994.

### ACTUARY'S REPORT

Kieran Murphy, Actuary, reported that Kosrof Chantikian, a Towers Perrin subcontractor, is working under Kieran Murphy's supervision on extended experience analysis for up to 500 hours over the next 3-4 months.

Mr. Murphy commented on prior the meeting discussion of rates of return compared with the projected investment return assumption. He reported that the problem posed by a 3.12% return as compared with 8% expected will be ameliorated by lower than projected salaries for 1993-94.

### CITY ATTORNEY'S REPORT

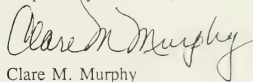
No report was made.

### BOARD MEMBERS

Commissioner Driscoll raised the issue of media response in light of Domestic Partnership Retirement Continuation Benefit Charter Amendment discussion. The Board directed staff to prepare press release reporting no position taken by the Retirement Board.

There being no further business, the Board adjourned its regular meeting at 7:16 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson and Christine Donahue, Adams Reporting Services.





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

OCT 5 1994

SAN FRANCISCO  
PUBLIC LIBRARY

WEDNESDAY, AUGUST 31, 1994

10:00 A.M.

Present:

Peter D. Ashe

President

Constance M. Hiatt

Vice President

William Breall, M.D.

Commissioner

Joseph D. Driscoll

Commissioner

Herb Meiburger

Commissioner

Absent:

Angela Alioto

Supervisor

Clare M. Murphy

General Manager  
Retirement System



## RETIREMENT BOARD

### SPECIAL MEETING

#### PUBLIC COMMENT

President Peter D. Ashe reviewed Public comment procedures for the attendees. No comments were made at this time.

#### REGULAR CALENDAR

##### 1. CONSULTANT FINALISTS PRESENTATIONS

Representatives from Strategic Investment Solutions, Inc.; Pension Consulting Alliance, Inc.; William M. Mercer, Incorporated; Callan Associates, Inc.; Asset Strategy Consulting; Wilshire Associates Incorporated; and Wyatt Investment Consulting presented written and oral reports to the Board on this item.

The Board, staff and consultant reviewed and discussed the material and engaged in a question and answer session with the firm representatives.

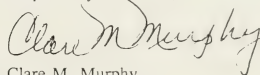
##### 2. SELECTION OF CONSULTANT FINALISTS

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

The Board discussed directions to further evaluate the consultant candidates and directed staff to prepare report focusing on Strategic Investment Solutions, Inc., Pension Consulting Alliance, Inc., Callan Associates, Inc., Asset Strategy Consulting, and Wilshire Associates Incorporated for consideration at the Retirement Board meeting of September 27, 1994.

There being no further business, the Board adjourned its regular meeting at 6:50 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

TUESDAY, SEPTEMBER 13, 1994

12:00 NOON

DOCUMENTS DEPT.  
OCT 5 1994  
SAN FRANCISCO  
PUBLIC LIBRARY

Present:

Peter D. Ashe

President

Constance M. Hiatt

Vice President

William Breall, M.D.

Commissioner

Herb Meiburger

Commissioner

Absent:

Joseph D. Driscoll

Commissioner

Angela Alioto

Supervisor

Clare M. Murphy

General Manager  
Retirement System





## RETIREMENT BOARD

### REGULAR MEETING

#### PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### REGULAR CALENDAR

##### 1. REPORT ON MEDICAL TREATMENT FACILITY CANDIDATES

Clare Murphy, General Manager, and Brian Narlock, Division Manager, Workers' Compensation Division, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. President Ashe established a committee of himself and Commissioners Driscoll and Meiberger to visit and review each of the sites included in the bid.

This was an information item only; no action was taken.

##### 2. REPRESENTATIVE SERVICE PURCHASE PROCEDURES

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Breall to staff recommendation; motion passed 4-0.

##### 3. DEFERRED COMPENSATION PARTICIPANT FEE UPDATE

Commissioner Constance Hiatt and Clare Murphy, General Manager, presented an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. REQUEST FOR DISMISSAL OF APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT WITH STIPULATION - PAUL H. SCHNEIDER

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to approve the request for dismissal of application for industrial disability with stipulation - Paul H. Schneider; motion passed 4-0.

5. REQUEST FOR AUTHORIZATION FOR KENNETH L. SHAFFER, CHIEF INVESTMENT OFFICER TO ATTEND THE IFE INTERNATIONAL INVESTING FOR PENSION PROFESSIONALS SEMINAR TO BE HELD IN ROME AND ISTANBUL ON OCTOBER 2-8, 1994

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Breall to approve the request for authorization for Kenneth L. Shaffer to attend the IFE International Investing Professionals Seminar to be held in Rome and Istanbul on October 2-8, 1994; motion passed 4-0.

6. REQUEST FOR AUTHORIZATION FOR KIERAN MURPHY, ACTUARY, TO ATTEND THE FOURTH ANNUAL PUBLIC RETIREMENT TRAINING SEMINAR TO BE HELD IN SACRAMENTO, CA ON OCTOBER 27, 1994

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt to approve the request for authorization for Kieran Murphy to attend the Fourth Annual Public

Retirement Training Seminar to be held in Sacramento, CA on October 27, 1994; motion passed 4-0.

## INVESTMENT CALENDAR

1. QUARTERLY REPORT ON GLOBAL FIXED INCOME MANAGERS FOR THE PERIOD ENDED JUNE 30, 1994

Richard Piket, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. QUARTERLY REPORT ON INTERNATIONAL EQUITY MANAGERS FOR THE PERIOD ENDED JUNE 30, 1994

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. REVISE RESOLUTION NO. 44 ON DELEGATION OF INVESTMENT AUTHORITY

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

- ACTION:**
1. It was moved by Meiberger, seconded by Breall to remove Jack Montgomery as an authorized trader; motion passed 4-0.
  2. It was moved by Hiatt, seconded by Breall to recuse Commissioner Meiberger due to conflict of interest; motion passed 4-0.

3. It was moved by Hiatt, seconded by Breall to approve Richard Piket, Portfolio Manager as an authorized trader for the San Francisco Employees' Retirement System; motion passed 3-0 (Commissioner Meiberger recused from the vote).
4. CHIEF INVESTMENT OFFICER'S REPORT
- a. Proxy Votes
- There were no proxy votes.
- b. Kenneth Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of August, 1994. Mr. Shaffer discussed the issue of derivatives and the Townsend Group commercial mortgage request for proposal from managers. President Ashe discussed with Dick Piket, Portfolio Manager, the amount to be allocated to commercial mortgages.

This was an information item only; no action was taken.

### CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 5-94
2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
- a. Delsa Guzdar \$ 7,397.00
- b. William Villareal \$ 5,000.00
3. DECISION OF HEARING OFFICER
- a. Alzetta H. Blakes  
2302 Nursing Assistant - Public Health/Laguna Honda Hospital  
Ordinary Retirement Disability  
Effective Date: June 17, 1994 Granted
- b. Deborah E. Bouie  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: April 23, 1994 Granted

- c. Debra S. Fuller  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement  
Effective Date: May 26, 1994 Granted
  
- d. Michael C. Kennedy  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: November 1, 1993 Granted
  
- e. Edward Lee, Jr.  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: February 1, 1994 Granted
  
- 4. PETITION FOR REHEARING  
  

Quentin Yaronon  
 Q-2 Police Officer - Police Department  
 Determination Denied
  
- 5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
  - a. Maria D. Delos Reyes
  - b. Helen E. Jones
  
- 6. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED  
ITEMS ON THE RETIREMENT BOARD MEETING OF AUGUST 30, 1994
  
- ACTION:** It was moved by Hiatt, seconded by Breall to approve the Consent Calendar items  
except item no. 6; motion passed 5-0.

### GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

- 1. City Hall contact reports.
- 2. There were 5 nominations submitted by 9:00 a.m., September 13, 1994 for the Retirement Board Election in 1995.

3. Charter Reform Proposal has been re-introduced for possible submission to voters in June, 1995.
4. New labor agreements including employer payment of employee contributions have been formulated and will require first priority allocation of pension operation's division resources to complete implementation over the next several months.
5. Prospective calendar was reviewed with minor modifications recommended by Board members.

### ACTUARY'S REPORT

No report was made.

### CITY ATTORNEY'S REPORT

No report was made.

### BOARD MEMBERS

Commissioner Breall discussed the problem of outstanding Retirement Board appointments to be made by the Mayor. President Ashe agreed to meet with the Mayor on the seriousness of the issue.

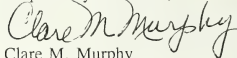
President Ashe reported a meeting with Controller Ed Harrington concerning outstanding City budget crisis.

President Ashe reviewed in detail specific elements of the article published on September 8, 1994 in the San Francisco Bay Times with which he differed.

Commissioner Hiatt expressed support for former Executive Assistant to the General Manager Norman Nickens and cautioned the Board to allow him the ability to address concerns rather than be judged by press accounts.

There being no further business, the Board adjourned its regular meeting at 4:23 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson, Adams Reporting Services.

MEMORANDUM

September 14, 1994

DOCUMENTS DEPT.

SEP 19 1994

SAN FRANCISCO  
PUBLIC LIBRARY

To: The Retirement Board

From: Clare M. Murphy  
General Manager*cm*Subject: **PROSPECTIVE RETIREMENT BOARD MEETING SCHEDULE AND TOPICS**

DATE	TIME	TENTATIVE TOPICS
09/23/94	8:30 a.m.	Rescheduled to November, 1994
09/27/94	10:00 a.m.	<b>Regular Meeting</b> Preparation for Medical Treatment Facility Presentations Strategic Plan Update Unfinished Business Report Deferred Compensation Annual Report Domestic Equity Review Commercial Mortgage RFP Result Real Estate Manager Presentation Quarterly Report on Real Estate Performance Consultant Finalist Selection
10/11/94	12:00 noon	<b>Regular Meeting</b> Annual Report Report on Fixed Income Soft Dollars Deferred Compensation Participant Fee
10/12/94	10:00 a.m.	<b>Special Meeting</b> Medical Treatment Facility Presentations
10/25/94	12:00 noon	<b>Regular Meeting</b> Strategic Plan Update Unfinished Business List Medical Treatment Facility Selection Actuarial Experience Analysis Report and Recommendation Alternative Investment Presentation
10/26/94	8:30 a.m.	<b>Special Meeting</b> Strategic Plan Review Facilitated Meeting

DATE	TIME	TENTATIVE TOPICS
11/04/94	8:30 a.m.	<b>Special Meeting</b> Facilitated Team Building Meeting
11/08/94	12:00 noon	<b>Regular Meeting</b> Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation Asset Allocation
11/29/94	12:00 noon	<b>Regular Meeting</b> Strategic Plan Update Unfinished Business Report Consultant Presentation Domestic Equity Review External Manager Presentation Semi-Annual Alternative Investment Report Alternative Investment Presentation
12/13/94	12:00 noon	<b>Regular Meeting</b> Presentation of Actuarial Valuation Recommendation of City Contribution Rates for Fiscal Year 1994-95 Quarterly Reports on Real Estate Performance Real Estate Manager Presentation International Fixed Income Quarterly Investments International Equity Quarterly Investments





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

OCT 18 1994

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, SEPTEMBER 27, 1994

10:00 A.M.

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor

Clare M. Murphy	General Manager Retirement System
-----------------	--------------------------------------

MINUTES: Minutes of the Regular Meetings of August 30, 1994, September 13, 1994 and Special Meeting of August 31, 1994.

ACTION: Approved as submitted.



## RETIREMENT BOARD

### REGULAR MEETING

#### PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### REGULAR CALENDAR

##### 1. PREPARATION FOR MEDICAL TREATMENT FACILITY PRESENTATIONS

Clare Murphy, General Manager, and Brian Narlock, Division Manager, Workers' Compensation Division, presented a written and oral report to the Board on this item. Commissioners Breall and Hiatt were recused for this item. The Retirement Board determined to meet on Tuesday, October 18, 1994 in special meeting to reserve presentations of Medical Treatment Facility bidders.

The Board reviewed and discussed the material and engaged in a question and answer session with staff and Dr. Greg Johnson of Ernst & Young.

This was an information item only; no action was taken.

##### 2. STRATEGIC PLAN MONTHLY PROGRESS REVIEW

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** This was an information item only; no action was taken. Issue of investment position is to be calendared on October 11, 1994.

##### 3. UNFINISHED BUSINESS LIST

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to approve the unfinished business list; motion passed 4-0 (Commissioner Driscoll was not present for the vote.)

4. DEFERRED COMPENSATION ANNUAL REPORT

Pat Kalasardo of Hartford presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. RECOMMENDATION FROM ADHOC COMMITTEE ON STREAMLINING BOARD PROCEEDINGS

Commissioner William Breall and Clare M. Murphy, General Manager, presented an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken. This item will be recalendared to October 11, 1994.

6. ADJUSTMENT OF DISABILITY RETIREMENT ALLOWANCE - BRIAN BARBARIA

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** The Board unanimously voted to adjust Brian Barbaria's industrial disability retirement allowance from 50% to 53%.

7. ADJUSTMENT OF DISABILITY RETIREMENT ALLOWANCE - BENJAMIN LUJAN

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** The Board unanimously voted to adjust Benjamin Lujan's industrial disability retirement allowance from 50% to 55%.

8. **REQUEST TO PROVIDE RETIREE NAME AND ADDRESS LIST TO BANK OF AMERICA TO FACILITATE BANK OF AMERICA'S REQUEST**

Maria Newport, Administrator Retirement Services, and Linda Richards, Information Systems Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt to approve the request to provide retiree name and address list to Bank of America; motion passed 5-0.

9. **RECORDING PROCEEDINGS OF SPECIAL MEETINGS ON OCTOBER 12, 26 AND NOVEMBER 4, 1994**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to suspend the application of Resolution 50 requiring the recording by court reporter of the special meetings of October 26 and November 4, 1994 and require a court reporter of the special meeting of October 18, 1994; motion passed 5-0.

10. **REQUEST FOR AUTHORIZATION FOR JOSEPH DRISCOLL, BOARD MEMBER, TO ATTEND THE VENTURE FORUM '94 TO BE HELD IN SAN FRANCISCO, CA ON OCTOBER 19-21, 1994**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Meiberger to approve the request for authorization for Joseph Driscoll, Board member, to attend the Venture Forum '94 to be held in San Francisco, CA on October 19-21, 1994; motion passed 5-0.

## **INVESTMENT CALENDAR**

### **1. CONSULTANT FINALIST SELECTION**

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

- ACTION:**
1. It was moved by Breall, seconded by Hiatt to select a single consultant; motion passed 5-0.
  2. It was moved by Hiatt, seconded by Breall to appoint Asset Strategy Consulting as consultant and include in the language of the contract requiring a commitment that Larry Davanzo, Managing Director be lead consultant; motion passed 5-0.

### **2. REQUEST TO REVISE AUGUST 30, 1994 BOARD ACTION COVERING INTERNATIONAL SMALL CAPITALIZATION MANAGERS**

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

- ACTION:**
1. It was moved by Driscoll, seconded by Hiatt to reconsider the motion of August 30, 1994 to propose that the selected international small capitalization managers have the same fee schedule; motion passed 5-0.
  2. It was moved by Driscoll, seconded by Breall to accept the last offer of Pictet International's fee schedule; motion passed 5-0.

### 3. REVIEW AND APPROVAL OF COMMERCIAL MORTGAGE FINALISTS

Richard Piket, Portfolio Manager, and Terry Ahern of The Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

- ACTION:**
1. It was moved by Meiberger, seconded by Breall to recuse Commissioner Constance Hiatt to approve the list of commercial mortgages finalist due to conflict of interest; motion passed 5-0.
  2. It was moved by Breall, seconded by Meiberger to approve the Commercial Mortgages finalists: Aldrich, Eastman and Waltch; AMB Mortgage Advisors; Heitman Advisory Corporation; Prudential Realty Group; Schroder Mortgage Associates; and CB Commercial Real Estate Group, Inc.; motion passed 4-0.

The Board determined to meet starting at 9:30 a.m. on October 11, 1994 to receive presentations of commercial mortgages bidders.

### 4. REAL ESTATE MANAGER PRESENTATION - L. & B. REAL ESTATE COUNSEL

Representatives from L. & B. Real Estate Counsel presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

### 5. QUARTERLY REPORT ON REAL ESTATE PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1994

Gary Hiatt, Portfolio Manager, and Terry Ahern of The Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

6. DOMESTIC EQUITY REVIEW

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

7. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Kenneth Shaffer, Chief Investment Officer, discussed the issue of timing the funding for new international managers.

This was an information item only; no action was taken.

## CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 6-94

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Cyarmine Benitez	\$ 4,740.00
b.	Myles Dixon	\$ 100,000.00
c.	Antonia F. Duron	\$ 12,780.00
d.	Michael Pawsey	\$ 10,850.00
e.	Theresa Ruggiero	\$ 14,000.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Teresa King	\$ 5,500.00
----	-------------	-------------



b. Christina Torres-Tsiliacos \$ 2,787.96

4. DECISION OF HEARING OFFICER

- a. Barbara Asinelli  
2322 Head Nurse - Public Health/San Francisco General Hospital  
Ordinary Retirement Disability/Stipulation  
Effective Date: November 1, 1994  
Granted
- b. James H. Dugish  
2944 Child Welfare Supervisor - Social Services  
Ordinary Retirement Disability  
Effective Date: December 23, 1994  
Granted
- c. Robert J. Fenech  
9211 Airport Police Sergeant - Airport Commission  
PERS  
Granted
- d. Christopher P. Flynn  
2905 Senior Eligibility Worker - Social Services  
Ordinary Retirement Disability  
Effective Date: August 11, 1994  
Granted
- e. Charles T. Gretton  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement  
Effective Date: September 1, 1994  
Granted
- f. Pauline M. Hnatow  
Q-2 Police Officer - Police Department  
Determination  
Effective Date: January 28, 1993 to February 24, 1993  
Granted
- g. Karl Karlsson  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement  
Effective Date: September 14, 1994  
Granted
- h. Samuel Robinson  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: July 1, 1994  
Granted

- i. Thomas A. Rogers  
7380 Electrical Transit Maintenance Assistant Supervisor - PUC/MUNI  
Ordinary Retirement Disability  
Effective Date: June 29, 1994  
Granted
- j. Brian C. Stewart  
9330 Pile Driver - Port Commission  
Ordinary Retirement Disability  
Effective Date: August 31, 1994  
Granted

5. PETITION FOR REHEARING

Sheila Weber  
2912 Senior Social Worker - Social Services  
Ordinary Retirement Disability  
Denied

6. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Lorraine L. Lombardo
- b. Nenita G. Pascua
- c. Michael Ruggiero

7. APPLICATION FOR BIRTHDATE CORRECTION

- a. Yan W. Lee
- b. Mirtha Lopez-Navarro
- c. Virginia D. Seen

- ACTION:**
- 1. It was moved by Breall, seconded by Driscoll to approve the Consent Calendar items excluding item 4f and modify item 6a to revise the recommendation to approve withdrawal of \$5,000 provided Ms. Lombardo would not be able to return to light duty; motion passed 5-0.
  - 2. It was moved by Breall, seconded by Hiatt to authorize the City Attorney to petition for rehearing for item 4f; motion passed 5-0.

[President Ashe relinquished the chair to Vice-President Hiatt and left the meeting.]

## GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. City Hall contact reports.
2. Proposition L Implementation.
3. Four labor agreements including employer paid contributions for fiscal year 1994-95 are being implemented.
4. On October 4, 1994 a meeting with nominees for Retirement Board seat vacant February 20, 1995 will be held.
5. The starting time for the October 11, 1994 Board meeting will be 9:30 a.m.
6. A press release on the selection of new general consultant will be prepared.

## ACTUARY'S REPORT

Kieran Murphy, Actuary, discussed the negotiation of potential Probation Officers' transfer of post service to PERS.

## CITY ATTORNEY'S REPORT

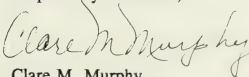
No report was made.

## BOARD MEMBERS

No report was made.

There being no further business, the Board adjourned its regular meeting at 5:26 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson and Christine Donahue of Adams Reporting Services.



Pr

A



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

TUESDAY, OCTOBER 11, 1994

9:30 A.M.

DOCUMENTS DEPT.  
OCT 31 1994  
SAN FRANCISCO  
PUBLIC LIBRARY

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of September 27, 1994.

ACTION: Approved as submitted.



## RETIREMENT BOARD

### REGULAR MEETING

#### PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### INVESTMENT CALENDAR

##### 1. COMMERCIAL MORTGAGE FINALISTS PRESENTATIONS

Richard Piket, Portfolio Manager, and Frank Blaschka from the Townsend Group presented a written and oral report to the Board on this item. Commissioner Hiatt was recused for this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

##### 2. REPORT ON FIXED INCOME SOFT DOLLARS

Richard Piket, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Breall to approve staff recommendation to use soft dollar broker Honig and Company; motion passed 5-0.

##### 3. REALLOCATION OF \$10 MILLION FROM 1994 OIL AND GAS INVESTMENT TARGET TO ASSET-BASED SPECIAL SITUATIONS

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt to approve the staff recommendation; motion passed 5-0.

4. **CHIEF INVESTMENT OFFICER'S REPORT**

a. **Proxy Votes**

There were no proxy votes.

b. Kenneth Shaffer, Chief Investment Officer, reported that the contracts with Dunedin and Pictet are undergoing review. The contract with Capital International as Emerging Market Asset Management is completed and the first phase of funding has been accomplished. The contract with Asset Strategy Consulting is in review with the City Attorney and the firm will begin consulting effective October 1, 1994. Callan Associates will be responsible for the September 30, 1994 performance review and will make their presentation to the Retirement Board in late November.

c. Mr. Shaffer informed the Board that he had received an offer of employment to serve as the Chief Investment Officer for the Los Angeles County Employees Retirement Association and further that he will be making his decision and will inform the General Manager and the Board within the next several days.

This was an information item only; no action was taken.

## **REGULAR CALENDAR**

1. **DEFERRED COMPENSATION PARTICIPANT FEE**

This item will be recalendared on the October 25, 1994 Board meeting.

2. **QUALIFIED DOMESTIC RELATIONS ORDER PRESENTATION**

This item will be recalendared on the October 25, 1994 Board meeting.

3. **REQUEST FOR THE DESTRUCTION OF RECORDS**

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.



The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to approve the request for destruction of records of the Purchasing Department; motion passed 5-0.

4. **REQUEST FOR APPROVAL OF SUPPLEMENTAL APPROPRIATION FOR THE INVESTMENT DIVISION BUDGET**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt to approve the request for approval of a supplemental appropriation for the Investment Division budget to add one 4331 Security Analyst position; motion passed 5-0.

5. **REQUEST FOR AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO CONDUCT DUE DILIGENCE MEETINGS WITH VARIOUS VENTURE CAPITAL GROUPS IN NEW YORK CITY ON NOVEMBER 7-9, 1994**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt to approve the request for authorization for Gary Hiatt, Portfolio Manager, to conduct due diligence meetings with various venture capital groups in New York City on November 7-9, 1994; motion passed 5-0.

6. **REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER, AND CLARE MURPHY, GENERAL MANAGER, TO ATTEND THE STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS (SACRS) FALL CONFERENCE TO BE HELD IN SAN DIEGO, CA ON NOVEMBER 15-18, 1994**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Breall to approve the request for authorization for Peter Ashe, Board member, and Clare Murphy, General Manager, to attend the State Association County Retirement Systems (SACRS) Fall Conference to be held in San Diego, CA on November 15-18, 1994; motion passed 5-0.

## CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 7-94
2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
  - a. Richard Scott Ahern \$ 1,063.00
  - b. Danelia Barillas \$ 1,855.00
  - c. Heikel Desta \$ 12,345.00
  - d. Marciel Rivera \$ 4,150.00
3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM
  - a. Cynthia Hopkins \$ 8,000.00
  - b. Quin Jones \$ 2,271.17  
(To City)
  - c. Anthony LaRocca \$ 639.00
  - d. Joanne Larson \$ 2,500.00
  - e. Diva Lewis-Peek \$ 5,000.00
  - f. Douglas G. McEachern \$ 1,152.25
  - g. Pamela Moy \$ 1,765.19

- h. Barbara Tagle \$ 6,900.00  
i. Mary White \$ 3,784.31

4. DECISION OF HEARING OFFICER

- a. Leon Kwok Jew  
8304 Deputy Sheriff - Sheriff's Department  
PERS Denied
- b. Isabel A. Santos  
1444 Secretary I - Public Utilities Commission/Water  
Ordinary Retirement Disability  
Effective Date: March 1, 1994 Granted

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Benedicta C. Rosello

6. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF SEPTEMBER 27, 1994

7. FOLLOW-UP ITEMS AFTER FULL DISCUSSION AT PRIOR MEETINGS:

Streamlining Retirement Board Decision-Making

- ACTION:**
1. It was moved by Breall, seconded by Driscoll to approve the Consent Calendar items except item no. 6; motion passed 5-0.
  2. It was moved by Breall, seconded by Driscoll to approve the Consent Calendar item no. 6; motion passed 5-0.

### GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. City Hall contact reports were reviewed.
2. Update on meetings in the coming week were reviewed for Proposition L.
3. Ms. Murphy reported the employer-paid contribution of the District Attorney

Investigators and Building Inspectors had been implemented and that for the current pay period Local 21 employer-paid contribution is being implemented. Significant and highly cooperative efforts of Retirement System staff, Controller's ISD and payroll division have allowed this difficult task to be accomplished.

4. List of educational opportunities was noted.
5. Ms. Murphy reported that she had met with Ann Godfrey concerning a review of the Retirement System management structure to look at appropriate position and wage levels of the five managers reporting to the General Manager.
6. At the recommendation of the City Attorney's office, the General Manager and Chief Investment Officer will explore opportunities for using outside counsel for specific legal/investment issues and will report back to the Board.
7. Four of the six candidates for the January Retirement Board election attended a briefing on October 4, 1994.
8. CALAPRS Administrator Roundtable Report was presented.

### **ACTUARY'S REPORT**

Kieran Murphy, Actuary, reported that he will be attending a meeting of the San Francisco Chamber of Commerce Public Affairs Committee to respond to questions concerning the costs resulting to Proposition H which provides for Domestic Partners Continuation benefits.

### **CITY ATTORNEY'S REPORT**

No report was made.

### **BOARD MEMBERS**

President Ashe reported that he and Commissioners Meiberger and Driscoll will be joining Brian Narlock for a tour of the facilities of bidders for the Medical Treatment Facility.

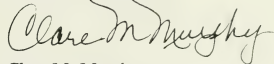
President Ashe also reported that he had conducted interviews of the two of the nominees for the Mayor's appointments to the Retirement Board and that he will provide an assessment to the Mayor.

Commissioner Driscoll provided a copy of the Council of Institutional Investor 1994 focus list looking at underperforming major companies within the S&P 500 and recommended a review by the investment staff of that report.

Commissioner Meiberger provided a copy of his response to the San Francisco Bay Times article dated October 6, 1994.

There being no further business, the Board adjourned its regular meeting in memory of Gary Hiatt's mother, Lillian Lorene Edwards Hiatt, at 6:04 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Clare M. Murphy". The signature is written in dark ink and is positioned above the printed name.

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson of Adams Reporting Services.





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS SEPT.

OCT 31 1994

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, OCTOBER 18, 1994

10:00 A.M.

Present: Peter D. Ashe

President

Joseph D. Driscoll

Commissioner

Herb Meiberger

Commissioner

Angela Alioto

Supervisor

Recused: Constance M. Hiatt

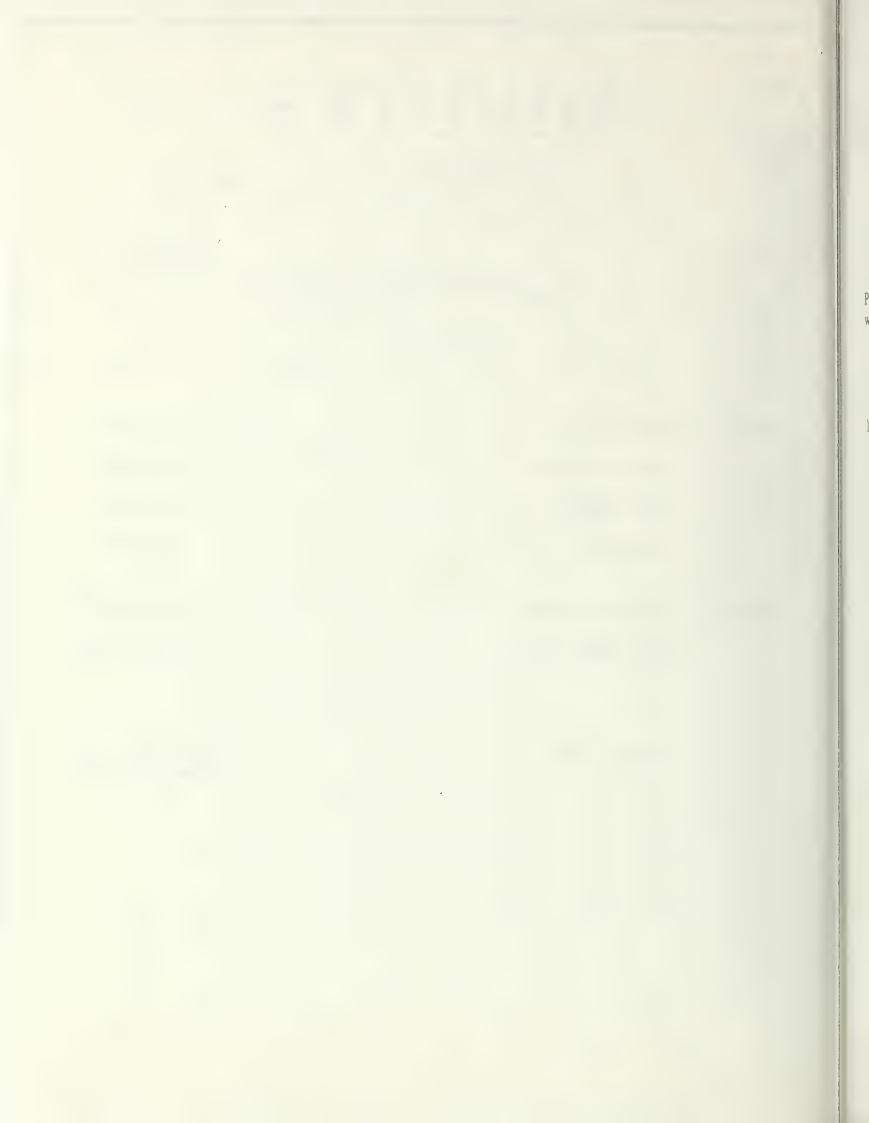
Vice President

William Breall, M.D.

Commissioner

Clare M. Murphy

General Manager  
Retirement System





## RETIREMENT BOARD

### SPECIAL MEETING

### PUBLIC COMMENT

President Peter D. Ashe reviewed Public comment procedures for the attendees. No comments were made at this time.

### REGULAR CALENDAR

#### 1. MEDICAL TREATMENT FACILITY PRESENTATIONS

The Retirement Board received presentations by representatives from:

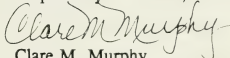
- San Francisco General Hospital/University of California - Mt. Zion Hospital (SFOHS)
- St. Luke's Hospital/California Pacific Medical Center
- St. Francis Memorial Hospital

Each presentation included written and oral reports.

The Board reviewed and discussed extensively the material and engaged in a question and answer session with the representatives and staff.

There being no further business, the Board adjourned its special meeting at 5:35 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the special meeting by Jewel Michaelson of Adams Reporting Services.



1855

P

A

M

A



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

TUESDAY, OCTOBER 25, 1994

10:00 A.M.

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	Joseph D. Driscoll	Commissioner
	Herb Meiberger	Commissioner
	Angela Alioto	Supervisor
Absent:	William Breall, M.D.	Commissioner
	Clare M. Murphy	General Manager Retirement System

DOCUMENTS DEPT.  
NOV 15 1994  
SAN FRANCISCO  
PUBLIC LIBRARY

MINUTES: Minutes of the Regular Meeting of October 11, 1994 and Special Meeting of October 18, 1994.

ACTION: Approved as submitted.



## **RETIREMENT BOARD**

### **REGULAR MEETING**

#### **PUBLIC COMMENT**

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### **INVESTMENT CALENDAR**

1. **COMMERCIAL MORTGAGE MANAGER RECOMMENDATION**

Richard Piket, Portfolio Manager, and Terry Ahern of the Townsend Group presented a written and oral report to the Board on this item. Commissioner Hiatt was recused for this item.

President Ashe and Commissioners Driscoll and Meiberger discussed the matter with Richard Piket and Terry Ahern of the Townsend Group.

**ACTION:** No action was taken. This item will be recalendared to November 29, 1994 for action.

2. **REVIEW OF THE 1995 MANAGER INVESTMENT PLANS: METRIC INSTITUTIONAL REALTY, AMB INSTITUTIONAL REALTY AND RREEF**

Terry Ahern of the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only. This item will be recalendared on December 13, 1994.

3. **SHARPE RATIO DEFINITION**

Richard Piket, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was information item only; no action was taken.

4. INSTITUTE FOR THE STUDY OF PENSION SYSTEMS

President Peter Ashe presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Meiberger to adopt recommendation subject to adoption of Charter for Institute for the Study of Pension Systems and to be reviewed annually; motion passed 5-0.

5. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Kenneth Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of September, 1994. Mr. Shaffer discussed the acquisition of JMB Institutional Realty Corporation by United Asset Management which already owns Heitman Realty.

c. Kenneth Shaffer and Kieran Murphy, Actuary reported on the update on Asset Liability Study in progress by Asset Strategy Consulting.

d. Dunedin and Pictet contracts are in finalization stage.

This was an information item only; no action was taken.

6. INTERIM REPORT ON CHIEF INVESTMENT OFFICER REPLACEMENT PROCESS

Clare Murphy, General Manager, reported on process for establishing permanent list for the Chief Investment Officer and options for interim filling of Chief Investment Officer role. The Board provided input for both issues.

This was an information item only; no action was taken

## CLOSED SESSION

This item will be recalendared to November 8, 1994.

## REGULAR CALENDAR

### 1. STRATEGIC PLAN UPDATE

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken.

### 2. UNFINISHED BUSINESS LIST

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the list and engaged in a question and answer session with staff. Commissioner Driscoll requested legal issues concerning derivatives be changed to review of legal issues attendant to SWAPS. Commissioner Driscoll requested addition of Investment Division review of post venture/micro cap equity distribution.

**ACTION:** No action was taken.

[Supervisor Alioto arrived during this item.]

### 3. REVIEW OF FISCAL YEAR 1993-94 PLAN EXPERIENCE AND RECOMMENDATION ON VALUATION ASSUMPTION

Kieran Murphy, Actuary, and Catherine Cole of Towers Perrin presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Driscoll to approve the staff and consultant recommendation to adopt economic assumptions for 1993-1994 valuation; motion passed 5-0.

## CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 8-94
2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM
  - a. Donna Briggs \$ 3,500.00
  - b. Michael Joseph \$ 4,775.40
  - c. Joseph R. Miles \$ 1,961.55
3. DECISION OF HEARING OFFICER
  - a. Mary A. Flores  
2905 Sr. Eligibility Worker - Social Services Department  
Ordinary Retirement Disability  
Effective Date: February 1, 1994 Granted
  - b. William A. Lytle  
H-2 Firefighter - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective Date: July 7, 1994 Granted
  - c. John R. Porter  
H-2 Firefighter - Fire Department  
Industrial Disability Retirement  
Effective Date: October 21, 1994 Granted
  - d. Elizabeth Thomsen  
(Philip Thomsen - Deceased)  
3424 Pest Control Specialist - Park and Recreation Department  
Ordinary Retirement Disability/Continuation  
Effective Date: May 24, 1994 Granted
4. PETITION FOR REHEARING
  - a. Sheila Fletcher  
1244 Senior Personnel Analyst - Public Health/SFGH  
Ordinary Retirement Disability  
Effective Date: May 18, 1991 Granted



- b. Sheila Silas  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement

Denied

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Ellen E. Costello
- b. Terry Smerdell
- c. Jerry Kung Wong

6. REQUEST TO CANCEL THE DECEMBER 27, 1994 BOARD MEETING

7. REQUEST AUTHORIZATION FOR PETER ASHE AND CONNIE HIATT, BOARD MEMBERS, TO ATTEND THE 1995 WINTER SEMINAR FOR PUBLIC FUNDS TO BE HELD IN RANCHO MIRAGE, CALIFORNIA ON JANUARY 8-11, 1995

- ACTION:**
- 1. It was moved by Meiberger, seconded by Hiatt to approve the Consent Calendar items except item no. 5b; motion passed 5-0.
  - 2. It was moved by Meiberger, seconded by Alioto to approve the Consent Calendar item no. 5b; motion passed 5-0.

### GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

- 1. City Hall contact reports.
- 2. Proposition L Implementation.
- 3. Update on Labor Negotiation Issues
- 4. Annual Report
- 5. Retirement System Key Personnel Reference List
- 6. 1995 Retirement Board Meeting Dates
- 7. Chief Accountant Bob Parmelee was bumped. Les Win will start on November 1, 1994 and Bob Parmelee will be on temporary requisition until February 28, 1995.

## **ACTUARY'S REPORT**

Information briefing on options as they apply to Police and Fire retirees will be recalendared to November 8, 1994 meeting.

## **CITY ATTORNEY'S REPORT**

Dan Maguire, Deputy City Attorney, made a report on community property claims & qualified domestic relations order presentation.

## **BOARD MEMBERS**

No report was made.

## **REGULAR CALENDAR**

### **4. MEDICAL TREATMENT FACILITY RECOMMENDATION**

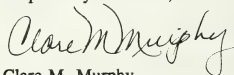
Commissioners Breall and Hiatt were recused from this item.

The Board took public testimony from Teresa Serata, Mayor's Office, Richard Cordova and Julia Velson of San Francisco General Hospital and representatives of several labor organizations including: Al Trigueiro of the Police Officers Association, Claire Zvanski of Local 790 and Larry Griffin of Local 250.

The Request for Proposals Subcommittee of the Workers' Compensation Task Force made its report. The Board determined to continue the item and to recess the meeting to November 9, 1994, 9:00 a.m.

There being no further business, the Board recessed its regular meeting at 5:25 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson and Christine Donahue of Adams Reporting Services.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

WEDNESDAY, OCTOBER 26, 1994

8:30 A.M.

Present:

Peter D. Ashe

President

Constance M. Hiatt

Vice President

William Breall, M.D.

Commissioner

Joseph D. Driscoll

DOCUMENTS DEPT.

Commissioner

Herb Meiberger

NOV 15 1994

Commissioner

SAN FRANCISCO  
PUBLIC LIBRARY

Absent:

Angela Alioto

Supervisor

Clare M. Murphy

General Manager  
Retirement System

NOTE:

CHANGE OF VENUE:

KPMG PEAT MARWICK TRAINING CENTER  
3 EMBARCADERO CENTER, 19TH FLOOR  
SAN FRANCISCO, CA



## RETIREMENT BOARD

### SPECIAL MEETING

#### 1. FACILITATED BOARD/STAFF STRATEGIC PLANNING SESSION

Marilyn Snider, Facilitator, and Jayne Becker, Recorder, conducted a facilitated Board/staff strategic planning meeting.

The Board and staff reviewed the mission statement and revised the goals and objectives included in the strategic plan. Revised copies will be distributed under separate cover.

There being no further business, the Board adjourned its special meeting at 4:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Clare M. Murphy".

Clare M. Murphy  
General Manager

A

B

D

T

L

55  
52  
9/31/94  
154

**NOTICE OF PUBLIC MEETING  
OF  
RETIREMENT BOARD COMMITTEE**

**A MEETING WILL BE HELD TO REVIEW APPLICANT FOR RETIREMENT  
BOARD VACANCY. THE MEETING WILL BE HELD:**

**DATE:**

MONDAY, OCTOBER 31, 1994

**TIME:**

11:30 A.M.

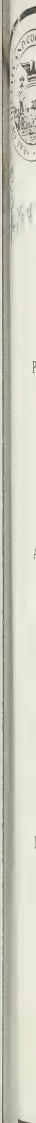
**LOCATION:**

**SAN FRANCISCO MEDICAL SOCIETY  
1409 SUTTER STREET  
CHECK LOBBY FOR ROOM**

DOCUMENTS DEPT.

OCT 28 1994

SAN FRANCISCO  
PUBLIC LIBRARY







# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

DEC 12 1994

SAN FRANCISCO  
PUBLIC LIBRARY

FRIDAY, NOVEMBER 4, 1994

8:30 A.M.

Present:

Peter D. Ashe

President

Constance M. Hiatt

Vice President

William Breall, M.D.

Commissioner

Joseph D. Driscoll

Commissioner

Absent:

Angela Alioto

Supervisor

Herb Meiberger

Commissioner

Clare M. Murphy

General Manager  
Retirement System

NOTE:

CHANGE OF VENUE:

KPMG PEAT MARWICK TRAINING CENTER  
3 EMBARCADERO CENTER, 19TH FLOOR  
SAN FRANCISCO, CA



## RETIREMENT BOARD

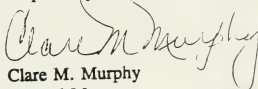
### SPECIAL MEETING

#### 1. FACILITATED BOARD/STAFF TEAMBUILDING MEETING

The Board and selected senior staff members engaged in a facilitated teambuilding session with the assistance of Marilyn Snider, Facilitator, and Jayne Becker, Recorder.

There being no further business, the Board adjourned its special meeting at 4:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Clare M. Murphy".

Clare M. Murphy  
General Manager



Pre

At



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

DEC 12 1994

SAN FRANCISCO  
PUBLIC LIBRARY

8/194  
TUESDAY, NOVEMBER 8, 1994

10:00 A.M.

Present:

Peter D. Ashe

Constance M. Hiatt

Joseph D. Driscoll

William Breall, M.D.

Herb Meiberger

President

Vice President

Commissioner

Commissioner

Commissioner

Absent:

Angela Alioto

Patricia Martel

Supervisor

Commissioner

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of October 25, 1994 and Special Meeting of October 26, 1994.

ACTION: Approved as submitted.



## RETIREMENT BOARD

### REGULAR MEETING

#### PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### INVESTMENT CALENDAR

1. REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1994

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. REVIEW OF THE DOMESTIC FIXED INCOME PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1994

Richard Piket, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. REVIEW OF THE DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1994

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was information item only; no action was taken.

4. STAFF RECOMMENDATION ON ASSET ALLOCATION FOR THE QUARTER ENDING JANUARY 31, 1995

Kenneth L. Shaffer, Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board and staff reviewed the development of asset allocation options including Callan Optimizer with Brinson inputs, Callan Optimizer with Callan inputs and Asset Strategy Consulting Optimizer and inputs. The use of possible alternative methodologies by Asset Strategy Consulting was discussed.

**ACTION:** It was moved by Meiberger, seconded by Breall to adopt staff recommendation adjusted such that \$60 million be taken from equity index fund and the balance from internal fixed income (revised allocation report attached); motion passed 4-1 (Driscoll).

## CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., and the *Sunshine Act*, San Francisco Administrative Code Section 67.10b, the Retirement Board met in closed session to discuss a personnel issue i.e. interim appointment/hiring/performance evaluation of the Chief Investment Officer.

At the end of the Closed Session, President Ashe reported that the Board discussed issues relating to the designation of an interim Chief Investment Officer and further discussed with the General Manager the process of selecting a permanent Chief Investment Officer.

5. DELEGATION OF AUTHORITIES REVISIONS

Clare Murphy, General Manager, announced her designation of Carolyn Hamilton as Acting Chief Investment Officer effective November 11, 1994.

Ms. Murphy discussed with the Board necessary changes in the various delegations of authority. In addition to the two existing delegation of authorities, a new delegation was established for trading authority identifying the securities analysts as designated traders.



This item will be recalendared at the November 29, 1994 meeting for action.

6. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Kenneth Shaffer, Chief Investment Officer, reported that the contracts for Capital International, Pictet and Dunedin are signed and the contract with Asset Strategy Consulting is approaching final form by the City Attorney.

c. The Asset Liability Study is commencing.

d. Mr. Shaffer made comments concerning his final meeting after five plus years of service for the SFERS plan and participants noting that he is a vested member and will keep an eye on the plan. Retirement Board members took the opportunity to thank Kenneth Shaffer for his service.

This was an information item only; no action was taken.

## REGULAR CALENDAR

1. FUNDING ALTERNATIVES TO ADDRESS ADMINISTRATIVE COSTS OF DEFERRED COMPENSATION PLAN

Commissioners Driscoll and Hiatt and Clare Murphy, General Manager, provided updates on the Hartford proposals for addressing the administrative cost of the 457 Deferred Compensation Program.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt to approve the recommendation that the Retirement Board establish a charge to each participant in the Deferred Compensation plan, that change to be determined by the Committee and the Hartford after costs are offset by \$30,000 contribution by the Hartford. Also participants will be canvassed to determine preference for direct fixed fee or sliding scale charge by election conducted with cooperation of the Hartford during 1995; motion passed 4-1 (Meiburger).

2. ANNUAL REPORT UPDATE

Clare Murphy, General Manager, provided to Board members an updated annual report with request for feedback so that final approval may be scheduled for November 29, 1994 meeting.

This was an information item only; it is to be recalendared to November 29, 1994 for action.

3. STRATEGIC PLAN ADOPTION

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Breall to approve the strategic plan as developed at the Board and senior staff facilitated meeting of October 26, 1994; motion passed 5-0.

4. REQUEST FOR CITY ATTORNEY'S OPINION REGARDING THE CALIFORNIA PENSION PROTECTION ACT OF 1992 AS IT APPLIES TO THE BUDGET PROCESS

Clare Murphy, General Manager, and Dan Maguire, Deputy City Attorney, presented a draft letter requesting a City Attorney's opinion regarding the California Pension Protection Act of 1992 as it applies to the Supplemental Budget process.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt to approve the letter as drafted; motion passed 5-0.

5. REPORT ON THE CALIFORNIA PENSION PROTECTION ACT OF 1992 ISSUES, PRIORITIES AND STRATEGIES FOR IMPLEMENTATION

Clare Murphy, General Manager, and Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on issues, priorities and strategies for implementing the California Pension Protection Act of 1992.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

6. **RECOMMENDATION OF NEGOTIATION CONSULTANT FOR MEDICAL TREATMENT FACILITY CONTRACT**

Clare Murphy, Chairperson of Workers' Compensation RFP Subcommittee presented a memorandum summarizing effort by the RFP Subcommittee of the Workers' Compensation Task Force to identify and recommend a consultant to assist the City and County in developing and implementing the Medical Treatment Facility contract.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Driscoll to accept staff recommendation to appoint Dr. Gregory Johnson of Ernst and Young as a negotiation consultant for the Medical Treatment Facility contract; motion passed 4-1 (Meiberger).

### **CONSENT CALENDAR**

The following items were presented:

1. **VOLUNTARY RETIREMENT BOARD LIST NO. 9-94**
2. **REQUEST TO PURCHASE PART-TIME PRIOR SERVICE - Sharon A. Arnold**
3. **SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE**
  - a. **Irvin Boop** \$ 1,000.00 to appl.  
+ est. \$500.00 med.-legl. expense
  - b. **Mary Darmanin** \$ 10,000.00
4. **SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM**
  - a. **Donald Bellina** \$ 2,000.00
  - b. **Michael C. Kennedy** \$ 60,000.00
  - c. **Marcial Mallanao** \$ 7,000.00

d. Donald Pistoless \$ 5,100.00

5. DECISION OF HEARING OFFICER

- a. Larry Aponte  
2495 Sr. X-ray Technician - Public Health/San Francisco General Hospital  
Ordinary Retirement Disability  
Effective Date: August 1, 1994 Granted
- b. Annie Chan  
1720 Data Entry Operator - Parking and Traffic  
Ordinary Retirement Disability  
Effective Date: June 9, 1994 Granted
- c. Franklin Gadson  
9220 Airport Operator - Airport Commission  
Ordinary Retirement Disability  
Effective Date: January 5, 1994 Granted
- d. Peter S. Groubert  
9139 Transit Supervisor - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: August 1, 1994 Granted
- e. Asuncion Hansson  
2302 Nursing Assistant - Public Health\Laguna Honda Hospital  
Ordinary Retirement Disability/Stipulation  
Effective Date: February 28, 1994 Granted
- f. Robert Haugen  
2741 Chemist - Public Works Department  
Ordinary Retirement Disability  
Effective Date: January 15, 1995 Granted
- g. Charles R. McGruder  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: January 21, 1994 Granted
- h. Michael O'Dwyer  
H-2 Firefighter - Fire Department  
Industrial Disability Retirement  
Effective Date: July 19, 1994 Granted

- i. Willie E. Sanders  
2302 Orderly - Public Health/Laguna Honda Hospital  
Ordinary Retirement Disability  
Effective Date: May 26, 1994  
Granted
- j. Keith A. Spikes  
1408 Principal Clerk - Department of Social Services  
Ordinary Retirement Disability  
Effective Date: August 27, 1994  
Granted
- k. Lamar Wiggins  
9139 Station Agent - Public Utilities Commission/MUNI  
Ordinary Retirement Disability/Stipulation  
Effective Date: February 18, 1994  
Granted

6. PETITION FOR REHEARING

James P. Gilleran  
H-20 Lieutenant - Fire Department  
Industrial Disability Retirement  
Denied

7. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Ana E. Carvajal
- b. Richard Edward Hall
- c. Geraldine Hernandez
- d. James R. Jones
- e. Robert M. Searle

8. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF OCTOBER 25, 1994

**ACTION:** It was moved by Breall, seconded by Meiberger to approve the Consent Calendar items; motion passed 5-0.

## GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Proposition L Implementation
2. Update on Labor Negotiation Issues
3. Update on Educational Opportunities
4. Recognition of Mayor's appointment of new Board member, Patricia Martel
5. Introduced new Chief Accountant, Les Win
6. The starting time for the November 29, 1994 meeting will be at 10:00 a.m. and the first January meeting will be January 17, 1995 instead of January 10, 1995.
7. The Benefit Administration Committee, established in the strategic plan, was discussed and agreed with Board members that the committee will consist of Commissioners Driscoll and Meiberger; Clare Murphy, General Manager; Kieran Murphy, Actuary; and Maria Newport, Administrator, Retirement Services.
8. Finally, Ms. Murphy recognized 5 plus years of commendable service by Kenneth Shaffer and thanked him for his regular routine as her first meeting of the business day.

### **ACTUARY'S REPORT**

Kieran Murphy, Actuary, provided an update on the PERS/Probation Officers and a formal report will be due on November 29, 1994.

### **CITY ATTORNEY'S REPORT**

No report was made.

### **BOARD MEMBERS**

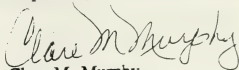
Commissioner Breall raised questions of diminishing returns for Strategic Planning and Teambuilding process. Board members discussed the matter and no action was taken.

Commissioner Breall requested staff to send a letter on behalf of the Board to Sue Lee of the Chamber of Commerce commending on the hard work to identify and recommend candidates to the Mayor for the Retirement Board.

Commissioner Meiberger raised a discussion of mortgage derivatives and the possibility of creating an Investment Advisory Committee of outside persons. It was suggested that the new Chief Investment Officer and/or consultant(s) review quality assurance processes.

There being no further business, the Board recessed its regular meeting at 5:38 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Clare M. Murphy". The signature is fluid and cursive, with the first name "Clare" being more prominent.

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson and Christine Donahue of Adams Reporting Services.



MEMORANDUM

DATE: November 14, 1994

TO: Clare M. Murphy  
General Manager *CM*

THROUGH: Carolyn Hamilton  
Acting CIO *CH*

FROM: Mark Coleman *MC*  
Security Analyst

SUBJECT: **At the Retirement Board meeting of 11/8/94, the Board amended the Asset Allocation. The following attached allocation reflects the updated Retirement Board Allocation.**



RECOMMENDED ASSET ALLOCATION  
FOR THE QUARTER ENDING JANUARY 31, 1995  
(Amended November 14, 1994)

Projected Net Contributions/withdrawals	(33,000,000)
Projected Income	<u>78,528,446</u>
Total Available for Allocation	45,528,446

SECTOR	PORTFOLIO	MARKET VALUE 09/30/94	ANTICIPATE INCOME*	ADDITIONS (DELETIONS)	CURRENT WEIGHTING
Domestic Equity	Index	552,280,827	3,907,387	(63,907,387)	29.9
	Internal	177,236,278	1,763,501		9.6
	McCullough	134,591,000	615,754		7.2
	Nicholas Applegate	214,398,406	176,878		11.6
	Hanson	120,277,988	853,480		6.5
	RCM	262,844,954	1,025,095		14.3
	Lehman-Ark	252,124,306	1,689,233		13.6
	Provident Investment Council	58,444,596	115,428		3.1
	Dietche & Field	<u>70,474,019</u>	<u>167,376</u>	_____	<u>3.8</u>
	TOTAL	1,842,672,374	10,314,132	(63,907,387)	30.1
Inter- national Equity	Capital International	40,000,000		20,000,000	7.6
	Dunedin	25,000,000		5,000,000	4.8
	Pictet International	25,000,000		5,000,000	4.8
	Capital Guardian	234,528,701	1,283,422		44.9
	Walter Oechsle	<u>197,409,756</u>	<u>705,740</u>	_____	<u>37.8</u>
	TOTAL	521,938,457	1,989,162	30,000,000	8.5
Alter- native Invest- ment	Alta Subordinate Debt III	3,992,983			2.4
	Weston Presidio Offshore	3,150,114		2,000,000	1.9
	Merit Energy Partner VI	18,320,069		2,000,000	11.3
	Vestar Equity Partners	2,852,256		3,000,000	1.5
	Advent VII L.P.	2,197,212		500,000	1.3
	Arral Pacific Equity Trust II	4,347,388			2.7
	TCW Special Credit Fund IV	10,000,000			6.2
	Foothill Partners II L.P.	6,979,835		1,000,000	4.3
	A.P.A. European Ventures	5,602,313			3.5
	Castle Harlan	4,304,603		1,000,000	2.7
	A.P.A. Capital Risque III	2,841,983			1.7
	Hellman Friedman	6,287,610		1,000,000	3.8
	Madison Dearborn	5,852,659		1,000,000	3.6
	Zell/Chilmark	20,120,683			12.5
	First Reserve Fund VI	2,285,401			1.4
	Belmont Capital II	10,076,520			6.2
	TPG Partners	3,556,842		2,000,000	2.2
	Blackstone Cap. Part II	579,954		2,000,000	0.4

Amended Recommended Asset Allocation  
For the quarter ending January 15, 1995  
Page 2

<u>SECTOR</u>	<u>PORTFOLIO</u>	<u>MARKET VALUE 9-30-94</u>	<u>MARKET VALUE INCOME*</u>	<u>ANTICIPATE (DELETIONS)</u>	<u>ADDITION WEIGHTING</u>
Alternative Investments	Menlo Ventures	2,100,000		1,000,000	1.3
	TCW Royalty Fund IV	1,487,000		1,000,000	0.9
	Battery Ventures III	450,000		1,000,000	0.2
	Crossroads	22,220,632			13.8
	Alta V	5,029,888		1,000,000	3.1
	Rimco Partners	9,094,004			5.6
	Summit Ventures III L.P.	5,810,546		1,000,000	3.6
	Cash Reserves	<u>1,746,679</u>	<u>17,466</u>		<u>1.1</u>
	TOTAL	161,287,174	17,466	20,500,000	2.6
Domestic Fixed Income	Internal**	1,730,897,500	33,752,501	(56,592,613)	70.4
	Private	59,240,175	399,871		2.4
	Mackay	214,070,399	3,794,398		8.7
	Scudder	251,875,453	4,621,915		10.2
	TCW	<u>199,128,091</u>	<u>5,102,657</u>		<u>8.1</u>
	TOTAL	2,455,211,618	47,671,342	(56,592,613)	40.1
Global Fixed Income	Brinson Partners	409,041,989	9,121,636		55.5
	Warburg	<u>327,635,806</u>	<u>6,626,434</u>		<u>44.5</u>
	TOTAL	736,677,795	15,748,070		12.1
Real Estate	Coldwell Banker	47,286,446	236,432		11.8
	Schroder A	22,250,524	111,252		5.5
	JMB I	14,891,990	146,020		3.7
	Lehndorff Babson	94,365,043	1,036,979		23.6
	Metric Realty	45,278,490	226,392	10,000,000	11.3
	RREEF	42,463,192	371,553		10.6
	Pacific Acquisition/ Stoneson Dev.	10,000,000	46,534		2.5
	RREEF General	56,335,083	278,915		14.1
	AMB	49,358,310	243,244	27,000,000	12.3
	CASH RESERVES	<u>18,249,813</u>	<u>90,953</u>		<u>4.6</u>
	TOTAL	400,478,891	2,788,274	37,000,000	6.6
	Total Allocation	<u>6,118,266,309</u>	<u>78,528,446</u>	<u>(33,000,000)</u>	<u>100.0</u>

\*Income to be allocated to the respective manager except for domestic equity index fund.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.  
DEC 12 1994

SAN FRANCISCO  
PUBLIC LIBRARY

SPECIAL MEETING  
(Adjourned Meeting of October 25, 1994)

WEDNESDAY, NOVEMBER 9, 1994

9:00 A.M.

Present:

Peter D. Ashe

President

Joseph D. Driscoll

Commissioner

Patricia Martel

Commissioner

Herb Meiberger

Commissioner

Angela Alioto

Supervisor

Recused:

Constance M. Hiatt

Vice President

William Breall, M.D.

Commissioner

Clare M. Murphy

General Manager  
Retirement System



# RETIREMENT BOARD

## SPECIAL MEETING

### REGULAR CALENDAR

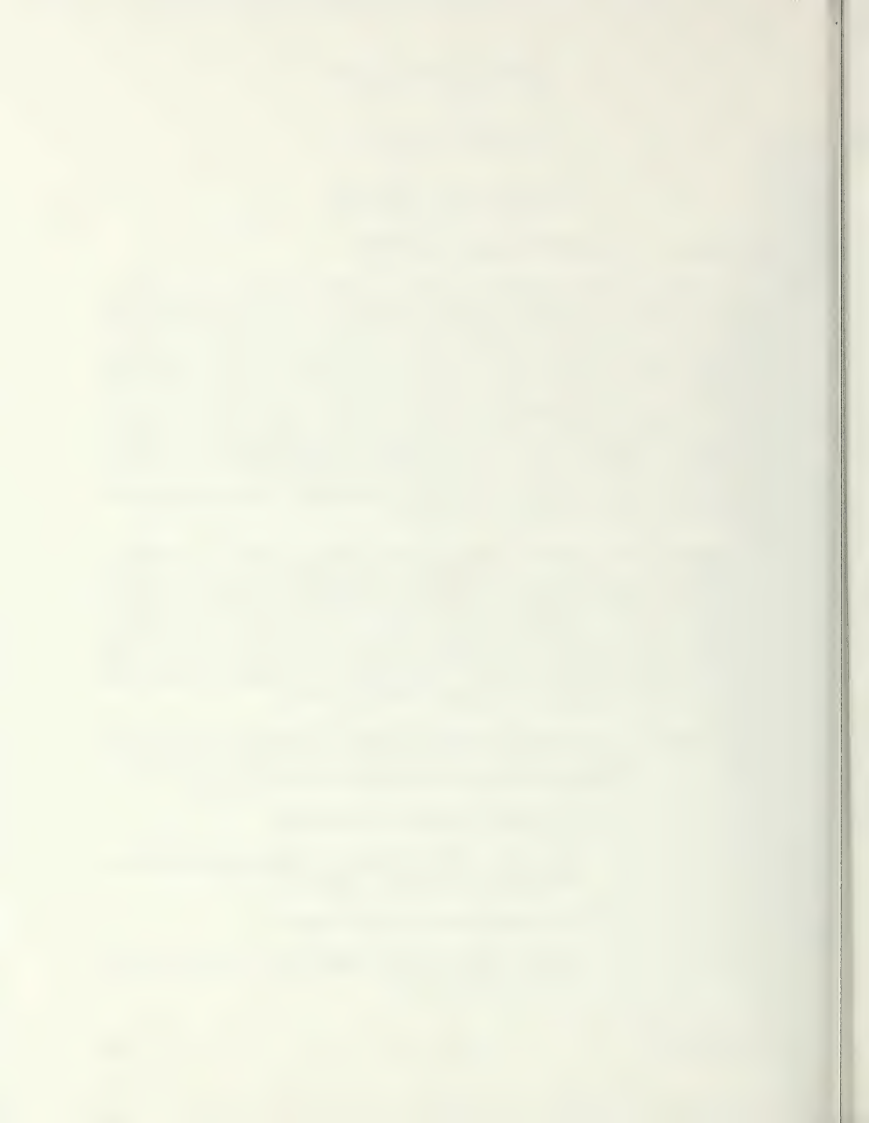
#### 1. MEDICAL TREATMENT FACILITY SELECTION

The Board continued discussion of options for Medical Treatment Facility selection which began October 25, 1994. President Ashe began by reviewing the prior meeting. He noted that the RFP Subcommittee of the Workers' Compensation Task Force recommended the selection of St. Francis Memorial Hospital as the Medical Treatment Facility and requested the RFP Subcommittee of the Workers' Compensation Task Force for any change in position. None was reported. Mr. Wendell Pryor, Human Resources Director, was asked for a recommendation and stated that he had presented the attached letter concerning assignment of Police Officers and Firefighter to Mt. Zion site for workers' compensation care. The Board engaged in extensive questioning with Wendell Pryor, Human Resources Director, representatives of SFGH/UCSF Mt. Zion, and Brian Narlock, Division Manager for the Workers' Compensation Division, concerning pricing, experience and other aspects of the proposal.

Supervisor Alioto joined the Board for the final period of discussion commencing at 10:45 a.m. After a break, Teresa Serata representing the Mayor's Office and Chair of Workers' Compensation Task Force stated that Wendell Pryor, Harold Guetersloh of Controller's Office and she wished to recommend SFGH/UCSF-Mt. Zion proposal. Teresa Serata and Wendell Pryor noted a change in resources available to Human Resources Department to manage change. Ms. Serata further stated that the Mayor has given his qualified assurance that the resources required to implement this change would be made available in the form of a supplemental appropriation.

**ACTION:** It was moved by Meiberger, seconded by Alioto that SFGH/UCSF-Mt. Zion be awarded the contract for workers' compensation services with the following objectives to be sought in the negotiating process:

- the contract is to be for a 12-month term
- that parking with security guard and ample signage be provided at both campuses at no cost to employees
- that average waiting time be 15 minutes
- that St. Francis Memorial Hospital Burn Unit be available to qualified injured workers



- that police officers and firefighters be allowed to go to UCSF/Mt. Zion site for treatment
- that reasonable accommodation be made to each City department to choose between the two campuses
- the Retirement System staff, Human Resources Department staff, City Attorney and contract negotiator negotiate to determine the best pricing alternative for the City and County of San Francisco.

In light of the significance of this Board action, several Board members stated the reasons for their vote:

Commissioner Driscoll noted the equal level of care at either SFGH/UCSF-Mt. Zion or St. Francis Memorial Hospital, reviewed the remaining unknowns of pricing alternatives, and finally addressed Wendell Pryor, Human Resources Director noting that it would be his responsibility to implement the contract and Workers' Compensation program. Commissioner Driscoll stated that he placed great weight on Mr. Pryor's recommendation to select SFGH/UCSF-Mt. Zion.

Supervisor Alioto recognized St. Francis Memorial Hospital as a great hospital but noted that SFGH had been a department upon which she had focused her attention and she will support SFGH/UCSF-Mt. Zion.

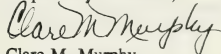
Commissioner Meiberger reiterated his support for SFGH/UCSF-Mt. Zion.

President Ashe recognized the 22 years of sterling service of St. Francis Memorial Hospital at Franciscan Treatment Room with profound gratitude and commended all three bidders and thanked the RFP subcommittee and called for the vote.

Motion passed 5-0.

There being no further business, the Board adjourned its special meeting at 11:33 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the special meeting by Jewel Michaelson of Adams Reporting Services.



P

A





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

TUESDAY, NOVEMBER 29, 1994

10:00 A.M.

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	Joseph D. Driscoll	Commissioner
	Herb Meiberger	Commissioner

Absent:	Angela Alioto	Supervisor
	William Breall, M.D.	Commissioner
	Patricia Martel	Commissioner

DOCUMENTS DEPT.  
JAN 4 1995  
SAN FRANCISCO  
PUBLIC LIBRARY

Clare M. Murphy	General Manager Retirement System
-----------------	--------------------------------------

MINUTES: Minutes of the Regular Meeting of November 8, 1994 and Special Meetings of November 4 and November 9, 1994.

ACTION: Approved as amended.



## RETIREMENT BOARD

### REGULAR MEETING

#### PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

[Item no. 1 of the Investment Calendar was heard out of sequence.]

#### REGULAR CALENDAR

1. STRATEGIC PLAN REVISIONS (NOVEMBER 4, 1994)

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Hiatt to approve the strategic plan revisions of November 4, 1994; motion passed 4-0.

2. STRATEGIC PLAN MONTHLY PROGRESS REVIEW

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Meiberger to approve the strategic plan monthly progress review; motion passed 4-0.

3. UNFINISHED BUSINESS LIST

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Hiatt to adopt the unfinished business list; motion passed 4-0.

4. **TEAMBUILDING, SHARED VALUES AND BEHAVIORS**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Driscoll to adopt the shared values and behaviors for selected values; motion passed 4-0.

5. **ANNUAL REPORT**

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Hiatt to approve the annual report as amended; motion passed 4-0.

6. **REQUEST FOR APPROVAL TO ENCLOSE COMBINED CHARITIES CAMPAIGN INFORMATION WITH THE MONTHLY RETIREMENT PAYCHECKS TO THE RETIREES**

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. The Board was assured that the enclosure of materials would be at no cost to the Retirement System.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to approve the request to enclose Combined Charities Campaign information with the monthly retirement paychecks to the retirees; motion passed 4-0.

7. PROBATION OFFICERS/PERS LIABILITY REPORT

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

8. REQUEST FOR PETITION FOR REHEARING: THOMAS ARGO

David Benjamin, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Hiatt to approve the request to petition for rehearing in the case of Thomas Argo; motion passed 4-0.

## INVESTMENT CALENDAR

1. SELECTION OF A COMMERCIAL MORTGAGE MANAGER(S)

Richard Piket, Portfolio Manager, and Frank Blaschka of the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken due to lack of quorum. This item is recalendared to December 13, 1994.

2. DOMESTIC EQUITY REVIEW

Carolyn Hamilton, Acting Chief Investment Officer, and Larry Davanzo and Leslie Kautz of Asset Strategy Consulting presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

3. CALLAN ASSOCIATES QUARTERLY INVESTMENT PERFORMANCE REVIEW

Paul Erlendson of Callan Associates presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

4. EXTERNAL MANAGER PRESENTATIONS: RCM CAPITAL MANAGEMENT, TRUST COMPANY OF THE WEST AND CAPITAL GUARDIAN TRUST COMPANY

Representatives from RCM Capital Management, Trust Company of the West and Capital Guardian Trust Company presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

5. RECOMMENDATION TO INVEST IN MORGAN GRENFELL EQUITY PARTNERS

Gary Hiatt, Portfolio Manager, and Robert Mast of Cambridge Associates, SFERS alternative investment consultant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to approve staff recommendation to invest up to £10 million (approximately \$15.6 million) in Morgan Grenfell Equity Partners; motion passed 4-0.

6. SEMI-ANNUAL ALTERNATIVE INVESTMENT REPORT

Gary Hiatt, Portfolio Manager, and Robert Mast of Cambridge Associates, SFERS alternative investment consultant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

7. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

- b. Carolyn Hamilton, Acting Chief Investment Officer, reported that Dunedin and Pictet have received the \$60 million funding allotted to international small cap; and Provident Investment Counsel has been bought out by United Asset Management.

This was an information item only; no action was taken.

### CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 10-94
2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE: Helen Fauss
3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
  - a. Gerald Durkin \$ 5,000.00
  - b. John Ellingsen \$ 17,105.00
4. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM
  - a. Chester Banks \$ 6,000.00
  - b. Damita Bell \$ 2,840.00
  - c. Leo William Emler \$ 1,522.04
  - d. Edward Ferdinand \$ 7,500.00

Less approx. \$100 costs

- |    |            |              |
|----|------------|--------------|
| e. | Nancy Ma   | \$ 3,000.00  |
| f. | John Solis | \$ 13,750.00 |

5. REQUEST TO AMEND RETIREMENT APPLICATION

Gerald Crowley

6. DECISION OF HEARING OFFICER

- |    |  |         |
|----|--|---------|
| a. | Paul E. Butler<br>H-2 Firefighter - Fire Department<br>Industrial Disability Retirement/Stipulation  | Denied  |
| b. | Robert Epifanio<br>5290 Transit Planner - Airport Commission<br>Ordinary Retirement Disability<br>Effective Date: December 16, 1994                        | Granted |
| c. | Arnold J. Logue<br>H-2 Firefighter - Fire Department<br>Determination<br>Effective Date: September 16, 1992 to November 25, 1992                           | Granted |
| d. | William A. Rapp<br>H-2 Firefighter - Fire Department<br>Industrial Disability Retirement<br>Effective Date: May 1, 1994                                    | Granted |
| e. | Robert J. Tully<br>H-40 Captain - Fire Department<br>Industrial Disability Retirement/Stipulation<br>Effective Date: December 11, 1993                     | Granted |
| f. | Albert E. Ward<br>H-20 Lieutenant - Fire Department<br>Industrial Disability Retirement/Stipulation<br>Effective Date: July 2, 1994                        | Granted |
| g. | Carole A. Warner<br>7379 Electrical Transit Mechanic - Public Utilities Commission/MUNI<br>Ordinary Retirement Disability<br>Effective Date: April 1, 1994 | Granted |



7. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Mary Joe Foster

8. RESOLUTION CONGRATULATING KENNETH L. SHAFFER ON THE OCCASION OF HIS DEPARTURE FROM THE RETIREMENT SYSTEM

9. FOLLOW-UP ITEM AFTER FULL DISCUSSION AT PRIOR MEETINGS:

Delegation of Authorities Revisions

- ACTION:**
1. It was moved by Driscoll, seconded by Meiberger to approve the Consent Calendar item nos. 1-7 and 9; motion passed 4-0.
  2. It was moved by Hiatt, seconded by Driscoll to approve the Consent Calendar item no. 8; motion passed 3-1 (Meiberger).

## GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Proposition L Implementation: Mr. Wendell Pryor, Human Resources Director, and Clare Murphy, General Manager, reviewed transition activities to implement Proposition L. Mr. Pryor reviewed the results of zero-based budgeting for the Department of Human Resources and indicated that a supplemental appropriation will be presented to the Mayor containing items required for Department of Human Resources to assume responsibility for the Workers' Compensation Division. Ms. Murphy and Mr. Pryor also reviewed items outlined for inclusion in an inter-departmental memorandum of understanding. Mr. Pryor indicated that he would provide the notice to the Retirement Board as soon as possible.
2. Update on Medical Treatment Facilities Contract Negotiations: Ms. Murphy reviewed the progress of contract developed for SFOHS (SFGH/Mt. Zion) and further indicated that a meeting will be scheduled from representatives of St. Francis Memorial Hospital to negotiate an extension of the existing contract to accommodate realistic transition time frames.
3. The Retirement Christmas Party will be held on December 16, 1994, 2:00 p.m. at Chevy's Restaurant, Fourth and Howard Street.
4. Mayor's Budget Instructions Review

5. The starting time for the December 13, 1994 meeting will be at 9:00 a.m.

### **ACTUARY'S REPORT**

Kieran Murphy, Actuary, reported on the preliminary review of actuarial valuation based on data of June 30, 1994.

### **CITY ATTORNEY'S REPORT**

No report was made.

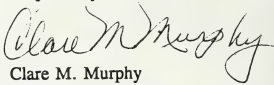
### **BOARD MEMBERS**

President Ashe asked that Dan Maguire, Deputy City Attorney, advise the Board as to whether or not there still exists a conflict of interest between Commissioner Hiatt and AMB concerning her law firm's past issue relationship with AMB.

Commissioner Hiatt discussed Commissioner Meiberger's letter dated November 22, 1994 to Supervisor Alioto concerning the participant fee for Deferred Compensation Program. After significant discussion, it was agreed that Commissioner Hiatt and Deputy City Attorney Dan Maguire would review the letter and propose any necessary clarification.

There being no further business, the Board adjourned its regular meeting at 8:35 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson and Christine Donahue of Adams Reporting Services.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

TUESDAY, DECEMBER 13, 1994

9:00 A.M.

DOCUMENTS DEPT.

JAN 24 1995

SAN FRANCISCO  
PUBLIC LIBRARY

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Patricia Martel	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor

Clare M. Murphy	General Manager Retirement System
-----------------	--------------------------------------

MINUTES: Minutes of the Regular Meeting of November 29, 1994.

ACTION: Approved as amended.



## **RETIREMENT BOARD**

### **REGULAR MEETING**

### **PUBLIC COMMENT**

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### **REGULAR CALENDAR**

#### **1. PRESENTATION OF ACTUARIAL VALUATION**

Kieran Murphy, Actuary, and Catherine Cole of Towers and Perrin presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Hiatt to adopt staff recommendation; motion passed 6-0.

#### **2. RECOMMENDATION OF CITY CONTRIBUTION RATES FOR FISCAL YEAR 1995-96**

Kieran Murphy, Actuary, and Catherine Cole of Towers and Perrin presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Ed Harrington, Controller, thanked the Board for their work and offered remarks.

**ACTION:** It was moved by Driscoll, seconded by Meiberger to adopt staff recommendation; motion passed 6-0.

#### **3. STARTING TIME FOR THE RETIREMENT BOARD MEETINGS**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt to adopt starting time to begin at 10:00 a.m. for the Retirement Board meetings with an option to alter the starting time; motion passed 6-0.

4. **REQUEST FOR APPROVAL OF SUPPLEMENTAL APPROPRIATION FOR THE WORKERS' COMPENSATION DIVISION BUDGET**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Breall to approve the supplemental appropriation for the Workers' Compensation Division Budget; motion passed 6-0.

5. **REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

## **CONSENT CALENDAR**

The following items were presented:

1. **VOLUNTARY RETIREMENT BOARD LIST NO. 11-94**
2. **REQUEST TO PURCHASE PART-TIME PRIOR SERVICE: Mabel Cheung Grubbe**
3. **SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE**

Leanna Meixner

\$ 12,000.00

4. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

- |    |                |             |
|----|----------------|-------------|
| a. | Carlos Machado | \$ 950.00   |
| b. | Sultan Shahzad | \$ 2,100.00 |
| c. | Mercy Zamora   | \$ 7,500.00 |

5. DECISION OF HEARING OFFICER

- |    |  |         |
|----|--|---------|
| a. | Thomas J. O'Callaghan<br>H-30 Captain - Fire Department<br>Industrial Disability Retirement/Stipulation<br>Effective Date: April 9, 1994 | Granted |
| b. | John J. Richardson<br>Housing Police Lieutenant - Police Department<br>PERS  | Granted |
| c. | Gary J. Torres<br>H-40 Battalion Chief - Fire Department<br>Industrial Disability Retirement/Stipulation                                 | Denied  |

6. PETITION FOR REHEARING

- |    |   |         |
|----|---|---------|
| a. | Pauline Hnatow<br>Q-2 Police Officer - Police Department<br>Determination   | Denied  |
| b. | William R. Leet<br>Q-50 Sergeant - Police Department<br>Industrial Disability Retirement/Stipulation<br>Effective Date: October 3, 1992 | Granted |

7. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- |    |                   |
|----|-------------------|
| a. | Donald A. Bellina |
| b. | James Ludwigson   |

8. REQUEST AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO ATTEND THE ADVISORY BOARD MEETING FOR BATTERY VENTURES III, L.P. TO BE HELD IN ORLANDO, FLORIDA ON JANUARY 12-13, 1995

9. REQUEST AUTHORIZATION FOR HERB MEIBERGER, BOARD MEMBER, TO ATTEND THE PLAN SPONSOR FORUM ON EQUITY STYLE MANAGEMENT TO BE HELD IN BOCA RATON, FLORIDA ON JANUARY 22-24, 1995
10. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF NOVEMBER 29, 1994

- ACTION:**
1. It was moved by Breall, seconded by Meiberger to approve the Consent Calendar item nos. 1-9; motion passed 6-0.
  2. It was moved by Meiberger, seconded by Breall to approve the Consent Calendar item no. 10; motion passed 6-0.

## **INVESTMENT CALENDAR**

### **1. QUARTERLY REPORT ON GLOBAL FIXED INCOME INVESTMENTS**

Carolyn Hamilton, Acting Chief Investment Officer, and Richard Piket, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

### **2. QUARTERLY REPORT ON INTERNATIONAL EQUITY INVESTMENTS**

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

### **3. ALTERNATIVE INVESTMENT RECOMMENDATION: TO INVEST \$15 MILLION IN SPROUT VENTURE VII, L.P.**

Carolyn Hamilton, Acting Chief Investment Officer, Gary Hiatt, Portfolio Manager, and Robert Mast of Cambridge Associates presented a written and oral report to the Board on this item.



The Board reviewed and discussed the material and engaged in a question and answer session with staff. President Ashe requested the staff to review APA Excelsior IV, L.P.

**ACTION:** It was moved by Meiberger, seconded by Hiatt to approve the staff recommendation to invest \$15 million in Sprout Venture VII, L.P.; motion passed 6-0.

4. **CONSIDERATION OF INVESTMENT IN KNIGHTSBRIDGE INTEGRATED HOLDINGS II**

Commissioner Driscoll presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. President Ashe noted that Gary Hiatt, Portfolio Manager and Robert Mast of Cambridge Associates would give no recommendation due to timing consideration. Dan Maguire, Deputy City Attorney, reviewed the Board's process for evaluating proposals and cautioned the Board to be especially critical in their analysis of this proposal.

**ACTION:** It was moved by Driscoll, seconded by Meiberger to invest \$6 million to Knightsbridge Integrated Holdings II subject to review by legal counsel and review of business issues by staff and consultants; motion passed 6-0.

5. **QUARTERLY REPORT ON REAL ESTATE PERFORMANCE**

Carolyn Hamilton, Acting Chief Investment Officer, Gary Hiatt, Portfolio Manager, and Terry Ahern and Frank Blaschka from the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

6. **REVIEW AND APPROVAL OF REAL ESTATE MANAGER INVESTMENT PLANS: RREEF, METRIC INSTITUTIONAL REALTY AND AMB INSTITUTIONAL REALTY**

Carolyn Hamilton, Acting Chief Investment Officer, Gary Hiatt, Portfolio Manager, and Terry Ahern and Frank Blaschka from the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Breall to approve the real estate manager investment plans and allocate \$60 million to AMB Institutional Realty, \$60 million to RREEF and \$30 million to Metric Institutional Realty to be invested throughout the 1995 year; motion passed 5-0. (Commissioner Martel was not present for the vote.)

7. **SELECTION OF A COMMERCIAL MORTGAGE MANAGER(S)**

Richard Piket, Portfolio Manager, Carolyn Hamilton, Acting Chief Investment Officer, and Terry Ahern and Frank Blaschka from the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to approve the selection of commercial mortgage managers and to allocate \$75 million each to Schroeder and AEW as ; motion passed 5-0. (Commissioner Hiatt was recused by prior action.)

8. **PROVIDERS OF PROXY SERVICES**

Carolyn Hamilton, Acting Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken. This will be recalendared for the January 17, 1995 meeting.

9. **REPORT ON INTERNATIONAL SOFT DOLLARS AND RELATED ISSUES**

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken. This will be recalendared for the January 17, 1995 meeting.

10. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Carolyn Hamilton, Acting Chief Investment Officer, discussed derivatives, swaps and Orange County's situation.

This was an information item only; no action was taken.

### GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Proposition L Implementation: Ms. Murphy informed the Board that a letter was expected by December 15, 1994 from Wendell Pryor which would inform us that the Division of Workers' Compensation was transferred to Department of Human Resources effective January 1, 1995. Copies of the letter would be made available upon receipt. Ms. Murphy will prepare a resolution for Board's consideration on January 17, 1995 in recognition of the change in authority and responsibilities of workers' compensation and recognition of the dedicated work of the staff of the Workers' Compensation Division.
2. Update on Medical Treatment Facilities Contract Negotiations: Ms. Murphy reported on contract negotiations on both SFOSH and interim contract with St. Francis Memorial Hospital. She reported that meetings will take place on December 14, 1994 to review the contract provisions.
3. Ms. Murphy provided an update of educational opportunities.
4. Chief Investment Officer Selection Process: Ms. Murphy gave a status report on the selection of Chief Investment Officer process.
5. Deferred Compensation Update: Ms. Murphy gave an update of the participant fee implementation process.
6. Strategic Plan Committees: Ms. Murphy reported that four work groups created by Strategic Plan have met to progress towards accomplishing objectives defined in November 4, 1994 Strategic Plan.

7. Security Analyst Position: Ms. Murphy reported that the Board of Supervisors passed the supplemental appropriation for second reading on December 12, 1994 to restore the position; the next reading will be on December 19, 1994.
8. Forward Calendar: Ms. Murphy informed the Board that the calendar will be made available as soon as possible.
9. Ms. Murphy extended Holiday Greetings to the Board on behalf of the staff.

### ACTUARY'S REPORT

No report was made.

### CITY ATTORNEY'S REPORT

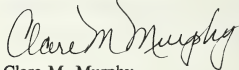
Dan Maguire, Deputy City Attorney, reported ongoing discussions regarding the conflict of interest between Commissioner Hiatt and AMB concerning her law firm's past issue relationship with AMB and Commissioner Meiberger's letter dated November 22, 1994 to Supervisor Alioto concerning the participant fee for Deferred Compensation Program.

### BOARD MEMBERS

President Ashe extended Holiday Greetings to all present and the entire staff of the Retirement Board.

There being no further business, the Board adjourned its regular meeting in memory of Jack Stouffer, a former Retirement System Assistant Chief of Investments, at 5:43 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson and Christine Donahue of Adams Reporting Services.

MEMORANDUM94  
December 30, 1994

DOCUMENTS DEPT.

JAN 17 1995

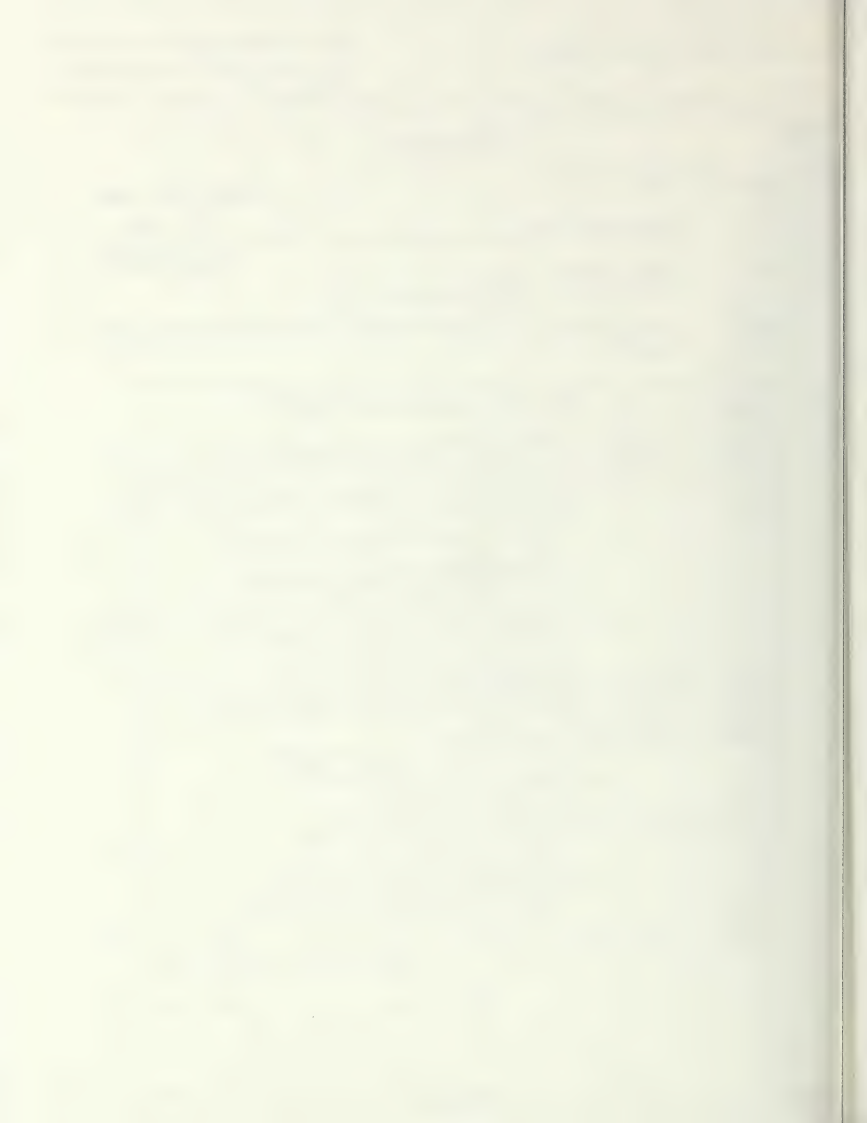
SAN FRANCISCO  
PUBLIC LIBRARY

To: The Retirement Board

From: Clare M. Murphy  
General Manager *CM*

Subject: PROSPECTIVE RETIREMENT BOARD MEETING SCHEDULE AND TOPICS

DATE	TIME	TENTATIVE TOPICS
01/17/95	10:00 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Auditor's Report Preliminary Budget Review for FY 95-96 Amend Board Rule No. 2 Deferred Compensation Glossary of Terms for Charges/Fees Quarterly Report - Concepts and Status of the Automated Retirement Systems Index Fund Related Issues Continuing Education for Board and Staff Provider of Proxy Services Risk Adjustment Returns for FY 1994 Pension Protection Act Priority Implementation
01/31/95	10:00 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Strategic Plan Monthly Progress Review Unfinished Business Report Preliminary Asset-Liability Study Multi-Company Proxy Issues Report/ Social Policy Issues Semi-Annual/Annual Brokerage Report Report on Soft Dollars and Related Issues



DATE	TIME	TENTATIVE TOPICS
2/14/95	10:00 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Report on Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation Multi-Company Proxy Issue Report/Corporate Governance Tri-Annual Equity Review Convertible Bonds Study Communication Committee Plan for Regular Communications Resolution 50 Report Member Information Briefing on Options
2/28/95	10:00 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Strategic Plan Monthly Progress Review Unfinished Business Report Review of the Statement of Economic Interest Recognition of New Board Member Board Review of City Attorney Opinion of Pension Protection Act Quarterly Performance Review by Asset Strategy Consulting External Manager Presentations Investment Policy Statement Issues Associated with Post Venture Management
3/14/95	10:00 a.m.	<b>Regular Meeting</b> Election of Officers Review of Shared Values and Behaviors Quarterly Report on International Investments Counseling and Education Programs Final Asset Liability Study





DATE	TIME	TENTATIVE TOPICS
3/28/95	10:00 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Strategic Plan Monthly Progress Review Unfinished Business Report Cost of Living Allowance for Retirees Real Estate Manager Presentation Quarterly Report on Real Estate Performance Alternative Asset Presentation Commercial Mortgage Quarterly Report Procedures on Manager Hiring and Firing Alternative Investment Recommendation

C:\WPFILE\BOARD\SCHEDULE\FORWARD



P

A

L



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

TUESDAY, JANUARY 17, 1995

10:00 A.M.

DOCUMENTS DEPT.

FEB 6 1995

SAN FRANCISCO  
PUBLIC LIBRARY

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Patricia Martel	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of December 13, 1994.

ACTION: Approved.



## **RETIREMENT BOARD**

### **REGULAR MEETING**

### **PUBLIC COMMENT**

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### **REGULAR CALENDAR**

#### **1. REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. It was agreed that once per month the Board will set aside 30 minutes for a more detailed review of actions and thoughts concerning the shared values.

Commissioner Connie Hiatt and Commissioner Pat Martel arrived during this item.

This is an information item only; no action was taken.

#### **2. REVIEW OF AUDITOR'S REPORT AND MANAGEMENT LETTER**

Marilee Lau, Partner, and Diane Garibaldi, Manager, of KPMG Peat Marwick; presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Commissioner Joe Driscoll requested a summary of GASB statements 25 and 27 be sent to him for his review.

This is an information item only; no action was taken.

3. PRELIMINARY BUDGET REVIEW FOR FISCAL YEAR 1995-96

Clare M. Murphy, General Manager, and Chief Accountants Robert Parmelee and Leslie Win presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Clare Murphy informed the Board that this item would be before them on the January 31, 1995 meeting before being submitted to Board of Supervisors.

This was an information item only; no action was taken.

4. QUARTERLY REPORT - CONCEPTS AND STATUS OF THE AUTOMATED RETIREMENT SYSTEM

Linda Richards, Information Systems Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. CALIFORNIA PENSION PROTECTION ACT IMPLEMENTATION

Clare Murphy, General Manager, and Dan Maguire, City Attorney presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

6. RETIREMENT SYSTEM TRAVEL EXPENSE REPORT FOR THE PERIOD ENDING DECEMBER 31, 1994

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

This is an information item only; no action was taken.

7. PETITION FOR REHEARING: TERRY ESGET

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Hiatt to approve hearing officer's decision; motion passed 4-2. (Ashe, Driscoll)

**Public Report of Action Taken in closed Session**

The Retirement Board voted on a motion to direct the City Attorney to file suit in Superior Court to set aside the decision in the application for industrial disability retirement of Thomas Argo. Voting aye: Peter Ashe, William Breall, Joseph Driscoll, Connie Hiatt, Pat Martel. Voting no: Herb Meiberger.

The Retirement Board voted on a motion to direct the City Attorney to join and concur in applicant's petition for rehearing in the application for Continuation Allowance of Kathleen M. Smith. Voting aye: Peter Ashe, William Breall, Joseph Driscoll, Connie Hiatt, Pat Martel, Herb Meiberger. Voting no: none.

8. DECISION OF HEARING OFFICER - JUSTIN P. SMITH (KATHLEEN M. SMITH - WIDOW)

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

**ACTION:** It was motioned by Driscoll and seconded by Meiberger to direct City Attorney to join and concur in applicant's petition for rehearing (6-0).

**INVESTMENT CALENDAR**

1. UPDATE ON INDEX FUND RELATED ISSUES

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Carolyn Hamilton reported that the Investment staff found no reason to change the rebalancing management of the Index Fund.

This is an information item only; no action was taken.

2. **STRATEGIC PLAN WORKING GROUP: CONTINUING EDUCATION FOR BOARD AND STAFF**

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Carolyn Hamilton, Acting Chief Investment Officer, made some suggestions to begin developing a process for continuing to educate Board and Staff and are as follow:

1. Panel discussion outside of regular meetings.
2. Internal Investment Library
3. Timely Investment articles made available at Board Meetings
4. Survey of Board - be made to ascertain which generic investment topics would be of interest to the members.

This is an information item only; no action was taken.

3. **RECOMMENDATION OF PROXY SERVICES PROVIDER**

Carolyn Hamilton, Acting Chief Investment Officer, Mark Coleman and Herb Meiberger, Security Analysts presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Hiatt, seconded by Driscoll to accept the staff recommendation to hire Investors' Fiduciary Services, Inc. (IFS); motion passed 5-1 (Breall).



4. REPORT ON RISK ADJUSTED RETURNS FOR FISCAL YEAR 1994

Carolyn Hamilton, Acting Chief Investment Officer, presented an analysis of 1994 fiscal year investment results on a risk adjusted basis to the Board.

Clare Murphy suggested that Asset Liability Study be presented including investment review/measures of risk and Final Asset Allocation discussion in late March and then how to assess progress and decisions could be made.

Asset Strategy Consulting will present examples of appropriate quarterly risk adjusted returns at the February 28, 1995 meeting.

This is an information item only; no action was taken.

5. DIRECT PRIVATE INVESTMENTS PRESENTATION

Representatives from Pacific Corporate Group, Debra Draughn and Brian Kinsman, provided the Board with information about the subject of the direct private investment market.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

Commissioner Pat Martel left the meeting at this time.

6. CHIEF INVESTMENT OFFICER'S REPORT

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report to the Board.

Knightsbridge Investment was made on time.

Commercial Mortgage Management Investment Plans was being completed by Townsend.

Ms. Hamilton reviewed impact of the devaluation of the Mexican peso in our international emerging investments.

This was an information item only; no action was taken.

## CONSENT CALENDAR

The following items were presented:

1. a. VOLUNTARY RETIREMENT BOARD LIST NO. 12-94  
b. VOLUNTARY RETIREMENT BOARD LIST NO. 13-94
2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE
  - a. Yun M. Lok
  - b. Minnie N. Okamoto
  - c. Jonathan Smith
3. DECISION OF HEARING OFFICER
  - a. Grant J. Aitken  
Teacher - San Francisco Unified School District  
Ordinary Retirement Disability/Stipulation  
Effective Date: June 29, 1994  
Granted
  - b. Forest Bargewell  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: June 1, 1994  
Granted
  - c. William M. Breslin  
H-20 Lieutenant - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective Date: July 7, 1994  
Granted
  - d. Bruce E. Estrin  
9210 Airport Police Officer - Airport Commission  
PERS  
Granted
  - e. Fernando Gamez  
(Carla P. Gamez - Widow)  
Captain - Police Department  
Death as a Result of Duty  
Effective Date: October 22, 1993  
Granted

- f.     Lee M. Holloway  
        9163 Transit Operator - Public Utilities Commission/MUNI  
        Ordinary Retirement Disability  
        Effective Date: March 26, 1994 Granted
  
- g.     James O. Howard  
        9163 Transit Operator - Public Utilities Commission/MUNI  
        Ordinary Retirement Disability  
        Effective Date: May 1, 1994 Granted
  
- h.     Maria D. Johnson  
        8304 Deputy Sheriff - Sheriff's Department  
        PERS Granted
  
- i.     Clifford Kazarian  
        H-2 Firefighter - Fire Department  
        Industrial Disability Retirement/Ordinary Retirement Disability Denied
  
- j.     Betty Link  
        Teacher - San Francisco Unified School District  
        Ordinary Retirement Disability  
        Effective Date: March 1, 1995 Granted
  
- k.     David F. Riley  
        7379 Electrical Transit Mechanic - Public Utilities Commission/MUNI  
        Ordinary Retirement Disability  
        Effective Date: June 1, 1994 Granted
  
- l.     Peter D. Roybal  
        H-40 Battalion Chief - Fire Department  
        Determination Denied
  
- m.     Johnny B. Stein  
        9186 General Manager - Public Utilities Commission/MUNI  
        Ordinary Retirement Disability  
        Effective Date: July 1, 1994 Granted
  
- n.     George O. Wynn  
        7216 Electrical Transit Shop Supervisor - Public Utilities  
        Commission/MUNI  
        Ordinary Retirement Disability/Continuation  
        Effective Date: September 23, 1994 Granted

4. PETITION FOR REHEARING

Paul E. Butler  
H-2 Firefighter - Fire Department  
Industrial Disability Retirement/Stipulation

Denied

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Alpha Buie
- b. Julanda Griffin
- c. Virginia Richardson
- d. Donald R. Thors
- e. Melodia A. Victorio

6. REQUEST TO AMEND RETIREMENT BOARD RULE NO. 2

7. RESOLUTION COMMENDING THE WORKERS' COMPENSATION DIVISION STAFF IN RECOGNITION OF THEIR YEARS OF SERVICE WITH THE SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM

8. DEFERRED COMPENSATION GLOSSARY OF TERMS FOR CHARGES/FEES

9. REQUEST AUTHORIZATION FOR JOSEPH DRISCOLL, BOARD MEMBER, TO ATTEND THE CFA II COURSE PRESENTED BY THE SAN FRANCISCO SECURITY ANALYST SOCIETY TO BE HELD IN SAN FRANCISCO, CA FROM JANUARY 26, 1995 THRU MAY 18, 1995

10. REQUEST AUTHORIZATION FOR PETER ASHE, BOARD MEMBER, TO ATTEND THE COUNCIL OF INSTITUTIONAL INVESTORS' EXECUTIVE COMMITTEE MEETING TO BE HELD IN WASHINGTON, D.C. ON JANUARY 26, 1995

11. REQUEST AUTHORIZATION FOR PETER ASHE, BOARD MEMBER, TO ATTEND RREEF THIRD ANNUAL SEPARATE ACCOUNT EDUCATIONAL SEMINAR TO BE HELD IN LA QUINTA, CA ON FEBRUARY 2-4, 1995

12. REQUEST AUTHORIZATION FOR CAROLYN HAMILTON, ACTING CHIEF INVESTMENT OFFICER, TO ATTEND THE CONFERENCE ON SOFT DOLLARS AND DIRECTED COMMISSIONS AND DUE DILIGENCE MEETING WITH HOENIG & CO. TO BE HELD IN NEW YORK CITY, NY, ON MARCH 15 AND 16, 1995, RESPECTIVELY
13. REQUEST AUTHORIZATION FOR KIERAN MURPHY, ACTUARY, TO ATTEND THE ENROLLED ACTUARIES MEETING TO BE HELD IN WASHINGTON, D.C. ON MARCH 20-22, 1995

**ACTION:** It was moved by Hiatt, seconded by Driscoll to approve the Consent Calendar; motion passed 5-0.

### GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Mr. Wendell Pryor provided written notice that the Workers Compensation Division would merge into DHR effective January 1, 1995, as provided in Proposition L. Ms. Murphy reported that Retirement System will continue to provide accounting support until March 1, 1995.
2. Ms. Murphy reviewed progress on development of contract for Medical Treatment Facility.
3. Ms. Murphy provided an update of educational opportunities.
4. Chief Investment Officer Selection Process: Ms. Murphy gave a status report on the process of Chief Investment Officer selection.
5. Security Analyst Update: Ms. Murphy gave a status report on the selection process.
6. Strategic Plan Committees: Ms. Murphy reported that the Benefit Administrative and Communications Committee have met to progress toward accomplishing objectives defined in the Strategic Plan.
7. 1995 Retirement Board election: Ms. Murphy gave a status report on the election and issues being raised in this first election including retirees.
8. Ms. Murphy thanked Angie Ignao, who is leaving on maternity leave, and wished her well.

9. Ms. Murphy requested Board to adjourn their meeting in memory of James Duffy - former SFERS Chief Accounting Officer and interim Chief Investment Officer.

## **ACTUARY'S REPORT**

No report was made.

## **CITY ATTORNEY'S REPORT**

Dan Maguire, Deputy City Attorney, gave a report on amendments to the Political Reform Act and how it will apply to the Retirement Board.

## **BOARD MEMBERS**

President Ashe presented a letter to Clare Murphy regarding a request for prior service.

Herb Meiberger motioned to adjourn meeting in memory of James Duffy, former SFERS Chief Accounting Officer and interim Chief Investment Officer who passed away December 18, 1995 after 23 years of retirement, Connie Hiatt seconded motion.

There being no further business, the Board adjourned its regular meeting in memory of James Duffy, former SFERS Chief Accounting Officer at 6:00 p.m.

Respectfully submitted,

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson of Adams Reporting Services.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

TUESDAY, JANUARY 31, 1995

10:00 A.M.

DOCUMENTS DEPT.

FEB 23 1995

SAN FRANCISCO  
PUBLIC LIBRARY

Present:	Constance M. Hiatt	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Patricia Martel	Commissioner
	Herb Meiburger	Commissioner
Absent:	Peter D. Ashe	President
	Angela Alioto	Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of January 17, 1995.

ACTION: Approved as amended.

## **RETIREMENT BOARD**

### **REGULAR MEETING**

#### **PUBLIC COMMENT**

Vice President Connie Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

Commissioner Martel arrived during this item.

#### **REGULAR CALENDAR**

##### **1. REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

Clare Murphy reviewed list of Shared Values and Behaviors and reported they will be reviewed with senior staff members.

Once a month, 30 minutes will be set aside for a more detailed review of actions and thoughts concerning the Shared Values and Behaviors.

This is an information item only; no action was taken.

##### **2. STRATEGIC PLAN MONTHLY PROGRESS REVIEW**

Clare M. Murphy, General Manager, Maria Newport, Commissioner Joe Driscoll, presented a written report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Clare Murphy, Maria Newport, Commissioner Joe Driscoll, Carolyn Hamilton reported on the objectives of the strategic plan in depth.

Commissioner Hiatt requested that when an item was completed, the item be removed from the list.



This is an information item only; no action was taken.

3. **REPORT ON BEHAVIOR MODIFICATION TRAINING**

Commissioner William Breall presented an oral report relating to Dr. Meyer Freidman's Behavior Modification Training program. Commissioner Breall provided the Board and Staff with the costs related to implementing such a behavior modification training program for mid and upper management levels at the Retirement System.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This matter will be discussed at the next senior staff meeting.

This was an information item only; no action was taken.

4. **UNFINISHED BUSINESS LIST**

Clare M. Murphy, General Manager, reported on list of tasks requested by specific Board members including review of completed items, newly added items and the revision of target date, if any.

The Board reviewed Commissioner Meiberger's request that "Investigation of Bankers Trust's STIF Alternatives" be added to the Unfinished Business List.

Staff reported that item will be added to the Unfinished Business List and brought back to the Board at the February 28, 1995 meeting.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Breall to adopt the Unfinished Business List. Motion passed 6-0.

5. **BUDGET REVIEW FOR FISCAL YEAR 1995-96**

Clare M. Murphy, General Manager, and Chief Accountants Robert Parmelee and Leslie Win, presented the budget for review by the Board.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Martel to adopt the Budget Review for Fiscal Year 1995-96. Motion passed 6-0.

## **INVESTMENT CALENDAR**

### **1. PRELIMINARY ASSET-LIABILITY STUDY**

Larry Davanzo and Leslie Kautz from Asset Strategy Consulting presented their preliminary strategic asset-allocation plan.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Staff and Board agreed that a summary of recommendations and requests of Board members be developed and given to Asset Strategy Consulting in order to address these requests at the February 28, 1995 meeting.

This was an information item only; no action was taken.

### **2. MULTI-COMPANY PROXY ISSUES/CORPORATE GOVERNANCE ISSUES**

Mark Coleman, Security Analyst, presented a written and an oral report on the major corporate governance issues which will appear on proxy statements in 1995.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Meiberger to accept the Multi-Company Proxy Issues Report/Corporate Governance Issues with corrections. Motion passed 6-0.

### **3. UPDATE ON SOFT DOLLARS AND RELATED ITEMS**

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report on the issue of soft dollars and how they are currently being utilized by institutional investors.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. This item will be addressed further at a future Board meeting.

This was an information item only; no action was taken.

#### 4. ANNUAL BROKERAGE REPORT

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and an oral report on the total brokerage commissions generated by the Retirement Fund during calendar 1994.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Carolyn Hamilton reported that the next process is to present soft dollar guidelines to be followed in concurrence with City Attorney.

This is an information item only; no action was taken.

#### 5. CHIEF INVESTMENT OFFICER'S REPORT

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report to the Board.

1. IFSI Report (Proxy Service) will be presented in mid March by Investors' Fiduciary Services, Inc.
2. Commercial Mortgage Management Investment Plans will be ready in approximately 10 days.
3. The Investment Division is creating a lending library - Ms. Hamilton requested donations.
4. Ms. Hamilton reviewed the devaluation of the Mexican Peso.
5. Ms. Hamilton reported on the current Japanese Market situation.

This was an information item only; no action was taken.

### CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 14-94
2. DECISION OF HEARING OFFICER

- a. Susan D. Canaan  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement  
Effective Date: June 28, 1994 Granted
- b. Grant H. Fahs  
Q-60 Lieutenant - Police Department  
Industrial Disability Retirement/Stipulation  
Effective Date: February 13, 1994 Denied
- c. Eric Garber  
3610 Library Assistant - Library  
Ordinary Retirement Disability  
Effective Date: October 1, 1994 Granted
- d. James L. Guelff (Deceased)  
Diane J. Guelff (Guardian)  
Q-2 Police Officer - Police Department  
Death in the Line of Duty  
Effective Date: November 14, 1994 Granted
- e. Harry M. Payne  
H-2 Firefighter - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective Date: July 5, 1994 Granted
- f. Jeanette M. Samson  
2320 Registered Nurse - SFGH  
Ordinary Retirement Disability  
Effective Date: December 1, 1994 Granted
- g. Laurie J. Wiseman  
8170 Medical Claim Supervisor - Health Service  
Ordinary Retirement Disability  
Effective Date: April 1, 1994 Granted
- 3. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
  - a. Robert D. Frediani
  - b. Sonja Tolliver

4. REQUEST AUTHORIZATION FOR GARY HIATT TO PERFORM DUE DILIGENCE ON CAMBRIDGE ASSOCIATES; ROGERS, CASEY ALTERNATIVE INVESTMENTS; AND HANCOCK INTERNATIONAL VENTURE PARTNERS - IN BOSTON, MA. ON FEBRUARY 8 - 10, 1995

**ACTION:** It was moved by Driscoll, seconded by Breall to approve the Consent Calendar; motion passed 6-0.

## **GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Supplemental appropriation for Workers' Compensation: Ms. Murphy reported this supplemental appropriation is still pending.
2. Ms. Murphy reported that the Medical Treatment Facility contract process is still in the negotiation/review stage.
3. Chief Investment Officer selection process update: Ms. Murphy presented to the Board members the Civil Service list which consisted of fifteen people, of which 10 candidates will be interviewed on February 9 & 10, 1995.
4. Security Analyst Update: Ms. Murphy reported that Ms. Brewster Wycoff has been selected and has accepted the position as Security Analyst. She will join our staff on March 6, 1995.
5. Retirement Board Election: Ms. Murphy reported that the election concludes today at 5:00 pm.
6. Ms. Murphy updated the Board on the condition of President Peter Ashe.

## **ACTUARY'S REPORT**

No report was made.

## **CITY ATTORNEY'S REPORT**

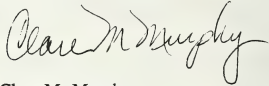
No report was made.

## BOARD MEMBERS

Commissioner Meiberger moved to adjourn for a speedy recovery for President Peter Ashe and welcoming Ryan, son of prior Board member, Bonnie Gibson.

There being no further business, the Board adjourned its regular meeting by wishing a speedy recovery for President Peter Ashe and welcoming Ryan, son of prior Board member, Bonnie Gibson. The meeting ended at 4:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Clare M. Murphy".

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson of Adams Reporting Services.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

TUESDAY, FEBRUARY 14, 1995

10:00 A.M.

DOCUMENTS DEPT

MAR 7 1995

SAN FRANCISCO  
PUBLIC LIBRARY

Present:	Peter D. Ashe	President
	Constance M. Hiatt	Vice President
	Joseph D. Driscoll	Commissioner
	Patricia Martel	Commissioner
	Herb Meiberger	Commissioner
Absent:	William Breall, M.D.	Commissioner
	Angela Alioto	Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of January 31, 1995.

ACTION: Approved as amended.

## **RETIREMENT BOARD**

### **REGULAR MEETING**

#### **PUBLIC REPORT OF ACTION TAKEN IN CLOSED SESSION**

The Retirement Board, by a unanimous vote, directed the City Attorney and staff to engage in negotiations for purposes of settling a case of anticipated litigation with the final approval of any settlement proposal to be decided by the Board.

#### **SPECIAL ORDER**

President Peter Ashe reviewed his 15 years of service with the Retirement Board recognizing noteworthy changes to the Fund and System during that lengthy period of time. He encouraged his colleagues and staff to maintain vigilance in striving to meet the Fund's objectives.

Comments recognizing President Ashe's service and thanking him for his personal and professional support were provided by the following persons:

Commissioner Herb Meiberger, past Board members, Mason Wong and Paul Denning, General Manager, Clare M. Murphy, Commissioner Connie Hiatt, Commissioner Joe Driscoll, Vince Courtney, Commissioner Pat Martel, Al Casciato, and Deputy City Attorney, Dan Maguire.

President Ashe left after this item.

#### **PUBLIC COMMENT**

### **REGULAR CALENDAR**

#### **1. REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

Commissioner Herb Meiberger requested that "Quality Work Product" be added to the Shared Values and Behaviors.



Commissioner Pat Martel recommended more concrete definition would be helpful in addressing this potential value.

Commissioner Driscoll noted the balancing act between perfection and stifling creativity.

Clare Murphy noted that Senior Staff will review the request and the item will be placed on March 14, 1995 Board calendar.

This is an information item only; no action was taken.

## **2. COMMUNICATION COMMITTEE PLAN FOR REGULAR COMMUNICATIONS**

Clare M. Murphy, General Manager, presented a written report to the Board on this item.

Clare Murphy presented the report on behalf of the Communications Committee.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

## **PUBLIC REPORT OF ACTION TAKEN IN CLOSED SESSION**

The Retirement Board voted on a motion to direct the City Attorney to pursue for rehearing in the application for Continuation Allowance of Kathleen M. Smith. Voting aye: Joe Driscoll, Connie Hiatt, Pat Martel, and Herb Meiberger. Voting no: none.

## **INVESTMENT CALENDAR**

### **1. REPORT ON THE TOTAL PORTFOLIO QUARTERLY PERFORMANCE UPDATE**

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report to the Board outlining total portfolio performance for the period ending December 31, 1994.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. REVIEW OF DOMESTIC FIXED INCOME PERFORMANCE FOR THE QUARTER ENDING DECEMBER 31, 1994

Dick Piket, Portfolio Manager, presented a written and oral report on the results for the System's domestic fixed income portfolio for the last three months of 1994 as well as provided a review of the longer term rates of returns associated with this asset class.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. REVIEW OF THE DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED DECEMBER 31, 1994

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report to the Board outlining U.S. equity portfolio performance for the period ending December 31, 1994.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. STAFF RECOMMENDATION ON ASSET ALLOCATION FOR THE PERIOD ENDING APRIL 30, 1995

Mark Coleman, Security Analyst and Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral recommendation for the allocation of Fund assets through April 30, 1995.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to adopt asset allocation for the period ending April 30, 1995; motion passed 4-0. (See Attached)

5. MULTI-COMPANY PROXY ISSUE REPORT/SOCIAL POLICY ISSUES

Carolyn Hamilton, Acting Chief Investment Officer, and Mark Coleman, Security Analyst presented a written and oral review with recommendations on the most important social issues which will be voted on in 1995.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Meiberger to adopt staff recommendation relating multi-company proxy issues as stated on pages 1 and 2 of report; motion passed 4-0.

The Board took detailed actions on the remaining proxy issues:

It was moved by Hiatt, seconded by Meiberger to recommend staff to vote a proxy in favor of equal employment opportunity proposals when readily available information about equal employment opportunity in situations where there is no demonstration of cost resulting from different versions of information production; motion passed 4-0.

It was moved by Hiatt, seconded by Meiberger to recommend a shareholders proxy vote against nicotine manipulation issue; motion passed 4-0.

It was moved by Driscoll, seconded by Martel to recommend a shareholders proxy vote against spinoff tobacco subsidiary issues; motion passed 4-0.

It was moved by Meiberger, seconded by Driscoll to recommend a shareholders proxy vote against recouping tobacco cost issues; motion passed 4-0.

It was moved by Martel, seconded by Meiberger to recommend shareholders proxy vote in favor encouraging companies to place qualified minorities and women on their Board of Directors; motion passed 4-0.

It was moved by Meiberger, seconded by Driscoll to recommend to staff to bring back to the Retirement Board for vote, on a case by case evaluation, all high performance work place proxy vote issues; motion passed 4-0.

## 6. TRI-ANNUAL EQUITY REVIEW

Carolyn Hamilton, Acting Chief Investment Officer, and Larry Davanzo of Asset Strategy Consulting presented a written and oral report to the Board reviewing the three-year performance of the U.S. Equity portfolios.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

The Board held a lengthy discussion regarding Domestic Equity Managers.

Commissioner Martel left during this item.

This was an information item only; no action was taken.

7. CONVERTIBLE BOND ISSUE

Carolyn Hamilton, Acting Chief Investment Officer, and Larry Davanzo of Asset Strategy Consulting, presented a written and an oral report on this subject.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

8. COMMERCIAL MORTGAGE MANAGEMENT INVESTMENT PLANS UPDATE

Staff provided the Board with an outline of the status of the management investment plans associated with the Systems investment in commercial mortgages. Staff is planning to present the final plans to the Board at the meeting of February 28, 1995.

This was an information item only; no action was taken.

9. CHIEF INVESTMENT OFFICER'S REPORT

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report to the Board.

1. Ms. Hamilton reported that Sprout VII, L.P., was allocated \$15 million dollars and only \$11.7 million dollars was accepted for investments.
2. Morgan Grenfell Equity Partners documents will be completed in 2 weeks.
3. Ms. Hamilton reported that Camille Nichols of I.F.S.I. will be present for the March 14, 1995 Board meeting.

This was an information item only; no action was taken.

## CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 15-94
2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE
  - a. Mary Crowley
  - b. Anita J. Williams
3. DECISION OF HEARING OFFICER
  - a. Bruce Flynn  
5268 Architect - Department of Public Works  
Ordinary Retirement Disability  
Effective: December 3, 1994 Granted
  - b. William R. Setzler  
8304 Deputy Sheriff - Sheriff Department  
PERS Denied
4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
  - a. Carolyn Gage
  - b. Kelley M. Kane
  - c. Larry Murdock
  - d. Ruth Maxine Musante
  - e. Thomas E. Roop
5. REQUEST FOR AUTHORIZATION FOR COMMISSIONER PAT MARTEL AND COMMISSIONER AL CASCIATO TO ATTEND THE PENSION FUND INVESTING HELD AT THE UNIVERSITY OF CALIFORNIA, BERKELEY ON APRIL 17 - 19, 1995.

6. REQUEST FOR AUTHORIZATION FOR COMMISSIONER HERB MEIBERGER AND ACTING CHIEF INVESTMENT OFFICER, CAROLYN HAMILTON TO ATTEND THE NICHOLAS/APPLEGATE CLIENT CONFERENCE HELD ON MARCH 5-7, AT THE LE MERIDIEN IN CORONADO, CA.
7. REQUEST FOR AUTHORIZATION FOR TRAVEL AS MAY BE REQUIRED FOR THE EVALUATION OF CHIEF INVESTMENT OFFICER CANDIDATES FOR CLARE M. MURPHY, GENERAL MANAGER OR CANDIDATE TO MEET FOR FINAL INTERVIEW IF APPROPRIATE.
8. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF JANUARY 31, 1995

**ACTION:** It was moved by Driscoll, seconded by Meiberger to approve the Consent Calendar; motion passed 4-0.

### **SUPPLEMENTAL CALENDAR**

Resolution(s), if any, to be adopted within limits imposed by the Sunshine Ordinance and the Ralph M. Brown Act, introduced today, not on the printed agenda. For such resolutions to be considered, the Board must first adopt motion (a) or motion (b) and then adopt motion (c).

**(a) [Serious Injury Finding]**

Motion that the Board find by roll call vote that for the resolution(s) being considered at this time "the need to take action is so imperative as to threaten serious injury to the public interest if action is deferred to a later meeting."

**ACTION:**

**(b) [Purely Commendatory Finding]**

Motion that the Board find by roll call vote that the resolution(s) being considered at this time are purely commendatory.

**ACTION:**

**(c) [Brown Act Finding]**

Motion that the Board find by roll call vote that for the resolutions being considered at this time there is a need to take immediate action and the need to take action came to the attention of the City and County of San Francisco after the agenda was posted.

**ACTION:**

(d) [Supplemental Action, if any]

**ACTION:**

**GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Proposition L: Ms. Murphy reported that the supplemental appropriation is still pending in Mayor's Office.
2. SFGH Contract: Ms. Murphy reported that contract is still in negotiation and review with the possibility of completion late next week.
3. Chief Investment Officer Update: Ms. Murphy reported that 8 candidates participated in the evaluation process on February 9 and 10, 1995. There will be further evaluation of the candidates.
4. Education Opportunities: Ms. Murphy provided the Board with the updated list of seminars available.
5. Retirement Board Election: Ms. Murphy reported that the election was concluded. Captain Al Casciato was elected. There is a meeting scheduled on February 21, 1995 to review issues and concerns relating to the election and the results of this meeting will be brought back to the Board on March 14, 1995.
6. Ms. Murphy reported that collective bargaining discussions are in progress which will affect the Retirement System in the implementation of certain provisions contained in various proposed MOU's.
7. ITT Hartford: Ms. Murphy reported that Pat Kalasardo, S.F. Regional Office Vice President, has retired from Hartford.
8. Clare Murphy reported that she has been nominated to be on the Board of Directors of the Robert A. Togio Foundation, an organization to facilitate the education and employment of minority students in financial services community.



9. Ms. Murphy reported she had received letters from the Stouffer and Duffy families thanking the Retirement Board for adjourning the meetings of December 13, 1994 and January 17, 1995, in memory of Jack Stouffer and James Duffy respectively.
10. Clare Murphy reported that for Strategic Plan Retreats are to be arranged, the Board and Senior Staff will meet to identify dates compatible with the facilitator.
11. Ms. Murphy requested that Board adjourn meeting in memory of Michael Orvis, an employee of the San Francisco Retirement System, who passed away this week.

## **ACTUARY'S REPORT**

Kieran Murphy, Actuary, informed Board that he has been made aware of representatives of the Mayor's Office and Labor negotiators had met with PERS late in the week of February 6th to discuss transferring from SFERS to PERS.

Al Trigueiro, President of the Police Officer's Association, and member of the Mayor's Efficiency Committee - Blue Ribbon Commission reported to the Board that he has met with Jim Burton, CEO of PERS and Mike Martin of the Mayor's Office.

Vince Courtney, attorney for the Police Officer's Association, discussed the POA's objectives of improving benefits for Tier II Police Officers.

The Board, Kieran Murphy, and staff reviewed issues relating to the matter. It was indicated that the Blue Ribbon Commission would make recommendations, and that the Mayor would make a request to the Retirement Board for a review of alternatives.

## **CITY ATTORNEY'S REPORT**

No report was made.

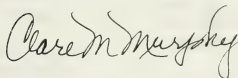
## **BOARD MEMBERS**

Commissioner Meiberger made a motion to adjourn the meeting in memory of Michael Orvis, employee of the San Francisco Employees Retirement System and in appreciation of Peter Ashe's 15 years of service on the Retirement Board.



There being no further business, the Board adjourned its regular meeting in memory of Michael Orvis, employee of the Retirement System and in appreciation of Peter Ashe's 15 years of service on the Retirement Board. The meeting ended at 5:06 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Clare M. Murphy". The signature is written in dark ink and is positioned above the printed name and title.

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Lorelei Krieger and Jewel Michaelson of Adams Reporting Services.

ASSET ALLOCATION  
FOR THE QUARTER ENDING APRIL 30, 1995

Projected Net Contributions/withdrawals	(33,000,000)
Projected Income	<u>75,071,207</u>

Total Available for Allocation	42,071,207
--------------------------------	------------

SECTOR	PORTFOLIO	MARKET VALUE 12/31/94	ANTICIPATE INCOME*	ADDITIONS (DELETIONS)	CURRENT WEIGHTING
Domestic Equity	Index	488,539,944	3,395,353	(3,395,353)	27.6
	Internal	173,813,184	1,898,909		9.8
	McCullough	133,144,463	615,793		7.5
	Nicholas Applegate	214,916,625	128,750		12.2
	Hanson	119,829,520	641,088	(31,000,000)	6.8
	RCM	261,146,253	1,077,228		14.8
	Lehman-Ark	247,220,349	1,693,460		13.9
	Provident Investment Counsel	57,423,729	117,719		3.2
	Dietche & Field	<u>70,892,881</u>	<u>203,817</u>		<u>4.0</u>
	TOTAL	1,766,926,948	9,772,317	(34,395,353)	29.1
Inter- national Equity	Capital International	51,876,518	259,383		9.8
	Dunedin	29,888,911	16,100		5.7
	Pictet International	29,498,211	10,150		5.6
	Capital Guardian	227,163,901	1,179,400		43.0
	Walter Oechsle	<u>189,172,082</u>	<u>662,633</u>		<u>35.9</u>
	TOTAL	527,599,623	2,127,666		8.7
Alter- native Invest- ment	Alta Subordinate Debt III	4,992,983		500,000	2.8
	Weston Presidio Offshore	4,154,478		800,000	2.3
	Merit Energy Partner VI	19,260,069		1,000,000	10.8
	Vestar Equity Partners	2,852,256			1.6
	Advent VII L.P.	2,947,212		375,000	1.6
	Arral Pacific Equity Trust II	4,542,388			2.5
	TCW Special Credit Fund IV	10,000,000			5.6
	Foothill Partners II L.P.	7,870,835		500,000	4.4
	A.P.A. European Ventures	5,602,313		250,000	3.2
	Castle Harlan	3,258,146		500,000	1.8
	A.P.A. Capital Risque III	2,643,865			1.5
	Hellman Friedman II	7,499,975		500,000	4.2
	Madison Dearborn	6,653,275		1,000,000	3.7
	Zell/Chilmark	22,143,820			12.5
	First Reserve Fund VI	2,285,401		1,000,000	1.2
	Belmont Capital II	10,076,520			5.6
	TPG Partners	1,871,659		1,000,000	1.0
	Blackstone Cap. Part II	695,799			0.3

Amended Recommended Asset Allocation  
For the quarter ending April 30, 1995  
Page 2

SECTOR	PORTFOLIO	MARKET VALUE 12-31-94	ANTICIPATE INCOME*	ADDITIONS (DELETIONS)	CURRENT WEIGHTING
Alternative Investments	Grotech IV L.P.	2,190,381		1,200,000	1.2
	Knights Bridge	3,836,160			2.1
	Morgan Grenfell III			750,000	
	Hellman Friedman III			600,000	
	Menlo Ventures	2,100,000		800,000	1.1
	TCW Royalty Fund IV	1,760,000		1,200,000	1.0
	Battery Ventures III	1,125,000		450,000	0.6
	Crossroads	24,175,150			13.6
	Alta V	6,029,888		500,000	3.4
	Rimco Partners	9,094,004			5.1
	Summit Ventures III L.P.	6,810,546		500,000	3.8
	Cash Reserves	<u>626,941</u>	<u>6,269</u>	—	<u>0.3</u>
	TOTAL	177,099,064	6,269	13,425,000	2.9
Domestic Fixed Income	Internal**	1,698,679,838	32,742,054		71.7
	Mackay	215,118,803	3,888,272	(70,829,647)	9.1
	Scudder	254,078,115	5,030,747		10.7
	TCW	<u>200,687,357</u>	<u>5,142,613</u>	—	<u>8.5</u>
	TOTAL	2,368,564,113	46,803,686	(70,829,647)	39.0
Global Fixed Income	Brinson Partners	408,234,608	6,943,749		55.2
	Warburg	<u>331,677,545</u>	<u>6,218,556</u>	—	<u>44.8</u>
	TOTAL	739,912,153	13,162,305		12.2
Real Estate	Coldwell Banker	42,978,810	214,503		8.8
	Schroder A	22,518,793	112,341		4.6
	JMB I	15,334,474	150,348		3.1
	Lehndorff Babson	95,504,666	1,016,007		19.5
	Metric Realty	75,461,443	376,657	18,000,000	15.4
	RREEF	41,657,120	363,959	7,500,000	8.5
	Pacific Acquisition/ Stoneson Dev.	10,114,116	46,524		2.1
	RREEF General	70,901,736	349,883	10,000,000	14.4
	AMB	96,912,873	477,123	23,300,000	19.8
	CASH RESERVES	<u>18,577,348</u>	<u>91,619</u>	—	<u>3.8</u>
	TOTAL	489,961,379	3,198,964	58,800,000	8.1
Total Allocation		<u>6,070,063,280</u>	<u>75,071,207</u>	<u>(33,000,000)</u>	<u>100.0</u>

\*Income to be allocated to the respective manager except for domestic equity index fund.





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

TUESDAY, FEBRUARY 28, 1995

10:00 A.M.

DOCUMENTS DEPT.  
MAR 21 1995  
SAN FRANCISCO  
PUBLIC LIBRARY

Present: Constance M. Hiatt

Al Casciato

Joseph D. Driscoll

Patricia Martel

Herb Meiburger

Vice President

Commissioner

Commissioner

Commissioner

Commissioner

Absent: William Breall, M.D.

Angela Alioto

Commissioner

Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of February 14, 1995.

ACTION: Approved as amended.

# THE

OF THE

OF THE

OF THE

OF THE

OF THE

OF THE

OF THE

OF THE

OF THE

OF THE

OF THE

OF THE

OF THE

OF THE

OF THE

OF THE

## **RETIREMENT BOARD**

### **REGULAR MEETING**

### **PUBLIC COMMENT**

### **SPECIAL ORDER**

Sylvia Courtney, Attorney at Law, administered the Oath of Office to Al Casciato, newly elected Board member.

### **PUBLIC REPORT OF ACTION TAKEN IN CLOSED SESSION**

The City Attorney further advised the Board on the matter which has potential of becoming item of litigation.

### **REGULAR CALENDAR**

#### **1. REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

This is an information item only; no action was taken.

#### **2. STRATEGIC PLAN MONTHLY PROGRESS REVIEW**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

The Board requested the staff to develop a method to make the changes on updates of the report more visible when provided to the Board.

This is an information item only; no action was taken.

3. UNFINISHED BUSINESS LIST

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

4. REVIEW OF THE STATEMENT OF ECONOMIC INTEREST

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

5. CITY ATTORNEY'S OPINION ON CALIFORNIA PENSION PROTECTION ACT

Dan Maguire, Deputy City Attorney, reported that the City Attorney's opinion will be available next month.

This is an information item only; no action was taken.

6. PROPOSED AMENDMENT OF RETIREMENT BOARD RULE 1

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

**ACTION:** It was moved by Driscoll, seconded by Martel to amend the Retirement Board's Rule Section 1.03 changing, for the 1995 year only, the date at which the members elect one of its members as President. The current date is the first regular meeting in March which will be changed to the first regular meeting in May 1995. (See attached Rule); motion passed 5-0.

7. REQUEST FOR REVOCATION OF VESTING ELECTION FOR CAROLYN ROBINSON

Maria Newport, Retirement Administrator, and Dan Maguire, Deputy City Attorney,



presented a written and oral report to the Board on this item.

**ACTION:** It was moved by Driscoll, seconded by Meiberger to approve the request for revocation of vesting election for Carolyn Robinson; motion passed 5-0.

## **INVESTMENT CALENDAR**

### **1. QUARTERLY PERFORMANCE REVIEW BY ASSET STRATEGY CONSULTING**

Leslie Kautz, representative from Asset Strategy Consulting presented a written and oral report to the Board on this item.

Ms. Kautz reviewed in detail the performance measures for quarter ending December 31, 1994. Ms. Kautz also reviewed specific reporting methodology, discussed managers and identified enhancements which will be included in future reports.

Ms. Kautz reviewed recent and long term performance of Hanson Investment Management and MacKay Shields.

This is an information item only; no action was taken.

### **2. EXTERNAL MANAGER PRESENTATIONS**

Charles Raven and Steven E. Cutcliffe, representatives from Hanson Investment Management; Stephen Schaefer from Oechsle International, and Dixie J. Ruud from Scudder, Stevens & Clark presented written and oral reports to the Board discussing their recent investment strategies and account performance.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

### **3. STRATEGIC ASSET ALLOCATION INTERIM UPDATE**

Leslie Kautz, representative from Asset Strategy Consulting, presented a written and oral report including asset allocation optimizations resulting from employing assumptions different from those used in the January 26, 1995 draft Strategic Asset Allocation.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. POST VENTURE DISTRIBUTION MANAGEMENT

Carolyn Hamilton, Acting Chief Investment Officer and Gary Hiatt, Portfolio Manager, presented an update of various options for dealing with stock distributions from the System's alternative investment portfolio.

Further reports of this issue will be presented to the Board.

5. COMMERCIAL MORTGAGE MANAGEMENT INVESTMENT PLAN

Dick Piket, Portfolio Manager, and Frank Blaschka, representative of the Townsend Group presented the final versions of proposed management investment plans for Schroder Mortgage Company and Aldrich Eastman Walth, the Retirement System's recently selected commercial mortgage managers. Mr. Blaschka reported that he was working with City Attorney on contracts and The Townsend Group was continuing its efforts to finalize appropriate fee schedules.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Casciato to adopt the Commercial Mortgage Management Investment Plans; motion passed 5-0.

6. CHIEF INVESTMENT OFFICER'S REPORT

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report to the Board.

1. Ms. Hamilton reported that Bankers Trust's custodial fees were reduced from \$1.5 million to \$600,000.
2. Ms. Hamilton gave a brief update on the Baring P.L.C. situation and reported that SFERS had no outstanding trades with Baring.
3. Commissioner Meiberger requested staff to review ABRY Investments.

This was an information item only; no action was taken.

## CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 16-94
2. DECISION OF HEARING OFFICER
  - a. Juanita Anderson  
Teacher - SFUSD  
Ordinary Disability Retirement/Stipulation  
Effective: June 18, 1994  
Denied
  - b. Carmelo P. Conjulusa, Jr.  
2708 Custodian - SFUSD  
Ordinary Disability Retirement/Stipulation  
Effective: November 18, 1994  
Granted
  - c. Paul D. Pickens, II  
7379 Electrical Transit Mechanic  
Ordinary Disability Retirement  
Effective: October 1, 1994  
Granted
  - d. Richard C. Corville  
0710 Court Reporter - Superior Court  
Ordinary Disability Retirement  
Effective: November 8, 1994  
Granted
  - e. Roy J. Giessler  
7355 Truck Driver - Port Commission  
Ordinary Disability Retirement/Stipulation  
Effective: April 8, 1995  
Granted
  - f. Patrick D. Lucey  
8306 Sr. Deputy Sheriff  
PERS  
Denied
  - g. Mary C. Wolfe  
2944 Child Welfare Supervisor - Department of Social Services  
Ordinary Disability Retirement/Stipulation  
Effective: March 3, 1993  
Granted

3. PETITION FOR REHEARING
  - a. Peter D. Roybal  
H-40 Battalion Chief - Fire Department  
Determination Denied
4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
  - a. Johnny W. Jefferson
  - b. Nadia Koenigsberg
  - c. Imelda G. Quesada
5. REQUEST AUTHORIZATION FOR GARY HIATT TO PERFORM DUE DILIGENCE ON SCF PARTNERS, A HOUSTON VENTURE FIRM IN EARLY MARCH
6. REQUEST FOR AUTHORIZATION FOR CLARE M. MURPHY TO ATTEND THE 6TH ANNUAL CONFERENCE ON PENSION FUND INVESTMENT IN REAL ESTATE ON APRIL 29 - MAY 5, HELD IN NEW YORK CITY, AND TO VISIT SFERS MANAGERS
7. REQUEST FOR TRANSCRIPT FOR FEBRUARY 14, 1995 MEETING OF PRESIDENT ASHE'S FAREWELL REMARKS

**ACTION:** It was moved by Driscoll, seconded by Martel to approve the Consent Calendar; motion passed 5-0.

## SUPPLEMENTAL CALENDAR

Resolution(s), if any, to be adopted within limits imposed by the Sunshine Ordinance and the Ralph M. Brown Act, introduced today, not on the printed agenda. For such resolutions to be considered, the Board must first adopt motion (a) or motion (b) and then adopt motion (c).

(a) [Serious Injury Finding]

Motion that the Board find by roll call vote that for the resolution(s) being considered at this time "the need to take action is so imperative as to threaten serious injury to the public interest if action is deferred to a later meeting."

**ACTION:**

(b) [Purely Commendatory Finding]

Motion that the Board find by roll call vote that the resolution(s) being considered at this time are purely commendatory.

**ACTION:**

(c) [Brown Act Finding]

Motion that the Board find by roll call vote that for the resolutions being considered at this time there is a need to take immediate action and the need to take action came to the attention of the City and County of San Francisco after the agenda was posted.

**ACTION:**

(d) [Supplemental Action, if any]

**ACTION:**

## **GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Proposition L: Ms. Murphy reported that the Department of Human Resources' supplemental appropriation will be heard at the Budget Committee of the Board of Supervisors on March 1, 1995.
2. SFOHS/Medical Treatment Facility Contract: Ms. Murphy provided an update of the contract and negotiations.
3. Chief Investment Officer: Ms. Murphy reported that evaluations were continuing. She hopes to select a Chief Investment Officer by April 1, 1995.
4. Collective Bargaining Issues: Ms. Murphy updated the Board on the ongoing collective bargaining issues and their effects on the Retirement System.
5. Mayor's Blue Ribbon Task Force Meeting: Ms. Murphy reported that Commissioners Meiburger and Driscoll and herself had met with members of the Task Force to discuss pension benefits issues.

6. Ms. Murphy reported that for the Board meetings of March 14, 1995 and March 28, 1995, Commissioners Hiatt, Driscoll, Meiburger, and Casciato would be the quorum for those meetings, as other Board members will be unavailable.
7. Ms. Murphy reported that Angie Ignao gave birth to Matthew on February 21, 1995; both are doing well.

## **ACTUARY'S REPORT**

## **CITY ATTORNEY'S REPORT**

No report was made.

## **BOARD MEMBERS**

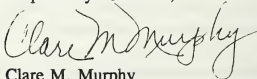
Commissioner Al Casciato had questions regarding the appropriateness of a participant's fee for the Deferred Compensation Plan.

Clare Murphy suggested that meetings be arranged with Commissioner Casciato, herself, and Kay Gulbengay to review the Deferred Compensation Plan and recent Retirement Board decisions in this area.

Commissioner Casciato requested a copy of the Contract for Medical Treatment Facility and a list which shows where departments are to go for medical treatment. This request will be forwarded to Department of Human Resources.

There being no further business, the Board adjourned its regular meeting ending at 5:06 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Lorelei Krieger and Jewel Michaelson of Adams Reporting Services.



# MINUTES

DOCUMENTS DEPT.

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

APR 3 1995

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, MARCH 14, 1995

10:00 A.M.

Present:	Constance M. Hiatt	Vice President
	Al Casciato	Commissioner
	Joseph D. Driscoll	Commissioner
	Herb Meiberger	Commissioner
Absent:	William Breall, M.D.	Commissioner
	Patricia Martel	Commissioner
	Angela Alioto	Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of February 28, 1995.

ACTION: Approved as amended.



## **RETIREMENT BOARD**

### **REGULAR MEETING**

### **PUBLIC COMMENT**

### **REGULAR CALENDAR**

#### **1. REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

Clare Murphy reported to the Board a brief summary of the discussion and findings of the Senior staff meeting of March 3, 1995, relating to the addition of "Quality Work Product" to the list of Shared Values and Behaviors.

Ms. Murphy reported that the senior staff members found that "Quality Work Product" was not a value, but a manifestation of several of the already listed values. The senior staff did not recommend to add "Quality Work Product" to the list of Shared Values and Behaviors.

Commissioner Meiberger reviewed with staff their decision and reasons for their recommendation and reiterated his support for the item.

Commissioner Casciato suggested that the item be continued for further consideration at the next strategic planning session.

This is an information item only; no action was taken.

#### **2. COUNSELING AND EDUCATION PROGRAMS**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

Commissioner Driscoll requested that the development of the pre-retirement work sheet, which is currently in progress, be added to the committee's work plan.

This is an information item only; no action was taken.



3. COST OF LIVING ADJUSTMENT FOR RETIREES SUBJECT TO CHARTER SECTION 8.526 TO BE EFFECTIVE JULY 1, 1995

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

**ACTION:** It was moved by Meiberger, seconded by Casciato to approve a 2% cost of living adjustment for retirees subject to Charter Section 8.526; motion passed 4-0.

4. THREE YEAR PLAN COMMITTEE REPORT

Commissioner Hiatt, Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

Commissioner Hiatt reported on the activities of the Three Year Plan Committee. She reviewed with the Board the "Planning Tool Document." Commissioner Hiatt explained that this vehicle will be used to look ahead and to assist Board and staff to identify future tasks. This document will be revisited with the Board for further updates.

This is an information item only; no action was taken.

**PUBLIC REPORT OF ACTION TAKEN IN CLOSED SESSION**

The Retirement Board met in closed session to confer with legal counsel on the following cases pursuant to Government Code §54956.9:

Arnold Diem vs. City and County of San Francisco, et al., C94-0051

Arnold Diem vs. City and County of San Francisco, Clm. 934296

Dan Maguire, Deputy City Attorney, reported that the Board had given approval for the City Attorney to negotiate a settlement in the Arnold Diem cases within certain limits. Board directed the City Attorney to report back to the Board on the settlement.

5. REQUEST TO JOIN WITH DHR/ERD IN SPONSORING NEW "MEMBERSHIP CRITERIA ORDINANCE" FOR CONSIDERATION BY THE BOARD OF SUPERVISORS

Clare M. Murphy, General Manager, and Kieran Murphy, Actuary, discussed the proposed changes in the membership criteria and responded to questions from Board members.

**ACTION:** It was moved by Driscoll, seconded by Casciato to approve the Request to Join with DHR/ERD in Sponsoring New "Membership Criteria Ordinance"; motion passed 4-0.

### **LUNCH BREAK**

### **INVESTMENT CALENDAR**

1. **QUARTERLY REPORT ON INTERNATIONAL EQUITY MANAGERS FOR THE PERIOD ENDING DECEMBER 31, 1994**

Carolyn Hamilton, Acting Chief Investment Officer, reviewed her report in detail and answered questions from members of the Board.

This is an information item only; no action was taken.

2. **QUARTERLY REPORT ON GLOBAL FIXED INCOME MANAGERS FOR THE PERIOD ENDING DECEMBER 31, 1994**

Richard J. Piket, Portfolio Manager, presented to the Board the quarterly report on Global Fixed Income.

Board and staff discussed contract guidelines and concerns regarding investments in U.S. mortgages and corporates within the U.S. component of the global portfolio.

Commissioner Driscoll requested staff to present a justification for staff's concern of going outside of realm of investing in U.S. Government Bonds and the risks involved.

This was an information item only; no action was taken.

3. **PROXY ISSUES, INVESTORS' FIDUCIARY SERVICES INC.**

Camille Nichols reviewed the methodology and process by which Investor's Fiduciary Services Inc. will utilize to evaluate and to vote all proxy proposals including identifying proxy issues which will be returned to the Board for disposition or clarification.

This was an information item only; no action was taken.

4. **CHIEF INVESTMENT OFFICER'S REPORT**

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report to the Board.

1. Ms. Hamilton reported there were no proxy votes.

2. Merit - VI, LT.- Board agreed to approve an exception to the geographical criteria found in the Limited Partnership documents in Merit VI, LP for the purchase of specific properties located in Alabama. (See attached map)

**ACTION:** It was moved by Driscoll and seconded by Casciato to approve the exception to the geographical criteria for Merit Energy L.P.; motion passed 4-0.

3. Commissioner Meiberger requested that an item to invest in ABRY Limited Partnership be calendared for action at the March 28, 1995 meeting. Board and staff discussed the importance of proper due diligence.

### CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 17-94
2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE: Gerald E. Redmond
3. DECISION OF HEARING OFFICER
  - a. Douglas Hosea  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement/Stipulation  
Effective: September 7, 1991 Denied
  - b. Sandra L. Peagler  
2907 Eligibility Worker Supervisor - DSS  
Ordinary Retirement Disability  
Effective: September 1, 1994 Granted
  - c. Olcidia Santa Cruz  
2320 Registered Nurse - SFGH  
Ordinary Retirement Disability  
Effective: October 1, 1994 Granted

Petition for Rehearing:

- d. William R. Setzler  
8304 Deputy Sheriff - Sheriff's Department  
PERS  
Effective: March 2, 1991 Granted

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
  - a. Marguerite L. Grier
5. REQUEST AUTHORIZATION FOR CLARE M. MURPHY, GENERAL MANAGER, TO ATTEND THE "BIANNUAL MEETING OF THE ROBERT A. TOIGO FOUNDATION", AND THE "COUNCIL OF INSTITUTIONAL INVESTORS' SEMI-ANNUAL MEETING", ON MARCH 25-27, 1995, HELD IN WASHINGTON, D.C.
6. REQUEST AUTHORIZATION FOR CONSTANCE HIATT, BOARD MEMBER, TO ATTEND THE "NAPPA 1995 LEGAL EDUCATION CONFERENCE" TO BE HELD JUNE 28-30, 1995, IN SEATTLE, WASHINGTON.
7. REQUEST AUTHORIZATION FOR LINDA RICHARDS, INFORMATION SYSTEMS MANAGER, TO ATTEND THE "PRISM 7TH ANNUAL CONFERENCE", ON APRIL 30 - MAY 3, 1995, HELD IN SAN DIEGO.
8. REQUEST AUTHORIZATION FOR BREWSTER WYCKOFF TO ATTEND THE "PREA/NCREIF 1995 JOINT CONFERENCE" ON MARCH 21-23, 1995, HELD IN SAN DIEGO.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to approve the consent calendar except item 8; motion passed 4-0.

It was moved by Casciato, seconded by Meiberger to approve item 8; motion passed 3-1 (Driscoll).

## **SUPPLEMENTAL CALENDAR**

Resolution(s), if any, to be adopted within limits imposed by the Sunshine Ordinance and the Ralph M. Brown Act, introduced today, not on the printed agenda. For such resolutions to be considered, the Board must first adopt motion (a) or motion (b) and then adopt motion (c).

**(a) [Serious Injury Finding]**

Motion that the Board find by roll call vote that for the resolution(s) being considered at this time "the need to take action is so imperative as to threaten serious injury to the public interest if action is deferred to a later meeting."

**ACTION:**

(b) [Purely Commendatory Finding]

Motion that the Board find by roll call vote that the resolution(s) being considered at this time are purely commendatory.

**ACTION:**

(c) [Brown Act Finding]

Motion that the Board find by roll call vote that for the resolutions being considered at this time there is a need to take immediate action and the need to take action came to the attention of the City and County of San Francisco after the agenda was posted.

**ACTION:**

(d) [Supplemental Action, if any]

**ACTION:**

## **GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. SFOHS/Medical: Ms. Murphy updated that contract negotiations were ongoing.
2. Selection of Chief Investment Officer: Ms. Murphy reported that the selection process for Chief Investment Officer was still in progress.
3. Collective Bargaining Issues: Ms. Murphy updated the Board on collective bargaining issues relating to SEIU and Local 21 and their effects on the Retirement System.
4. Update on Education Opportunities: Ms. Murphy informed the Board of the list of educational opportunities.
5. Strategic Plan Meeting Dates: Ms. Murphy reported that she is unable to confirm dates for the next strategic planning session, and she will continue to contact members to arrive at a date workable for all.
6. Ms. Murphy reported that as of today former President Peter Ashe officially retired from Recreation & Park Department. She also reported on his continuing recovery along with an update of Dr. Breall's medical condition.
7. Jean Thomas requested that the Retirement Board calendar an item to address concerns related to the 1995 Retirement Board Election. It was agreed that the item be calendared soon after a meeting of all interested parties.

## **ACTUARY'S REPORT**

## **CITY ATTORNEY'S REPORT**

No report was made.

## **BOARD MEMBERS**

Commissioner Hiatt requested letters be sent to Congressional Representatives requesting their support of provisions to protect the rights of 457 participants in wake of concerns arising from Orange County.

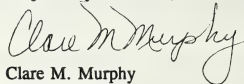
Commissioner Driscoll requested a letter be sent to the same Congressional Representatives urging that 457 deferral limits not be reduced.

Commissioner Meiberger requested assistance in preparing items for former Board member, Peter Ashe's Roast.

Commissioner Casciato expressed concerns regarding the length of Retirement meetings and the possibility of alternative scheduling.

There being no further business, the Board adjourned its regular meeting ending at 2:00 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Lorelei Krieger of Adams Reporting Services.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

TUESDAY, MARCH 28, 1995

10:00 A.M.

DOCUMENTS DEPT.

APR 17 1995

SAN FRANCISCO  
PUBLIC LIBRARY

Present: Constance M. Hiatt

Vice President

Al Casciato

Commissioner

Joseph D. Driscoll

Commissioner

Patricia Martel

Commissioner

Herb Meiburger

Commissioner

Absent: William Breall, M.D.

Commissioner

Angela Alioto

Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of March 14, 1995.

ACTION: Approved.







## **RETIREMENT BOARD**

### **REGULAR MEETING**

### **PUBLIC COMMENT**

#### **PUBLIC REPORT OF ACTION TAKEN IN CLOSED SESSION**

The Retirement Board met in closed session to confer with legal counsel on the following cases pursuant to Government Code §54956.9:

a. **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

Application of Thomas Argo - Case No. 967966

Dan Maguire, Deputy City Attorney, further reviewed with the Board the status of existing litigation in the case of Thomas Argo.

### **REGULAR CALENDAR**

1. **REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare M. Murphy, General Manager reviewed the list of Shared Values and Behaviors with the Board.

No action taken; informational item only.

2. **STRATEGIC PLAN MONTHLY PROGRESS REVIEW**

Clare M. Murphy, General Manager, and Maria Newport, Administrator Retirement Services, reported to the Board on the status and progress of the Strategic Plan.

Ms. Murphy reviewed with the Board revisions and modifications made to the Strategic Plan.

No action taken; informational item only.

3. **PETER ASHE RESOLUTION**

Staff presented a written and oral report to the Board on this item.

**ACTION:** It was moved by Casciato, seconded by Meiberger to approve the Peter Ashe Resolution; motion passed 4-0.

4. **UNFINISHED BUSINESS LIST**

Clare M. Murphy, General Manager, presented an oral report to the Board on this item.

Commissioner Hiatt requested to add an item to the Unfinished Business List: previous letters to Congressional Representatives regarding 457 Participants.

Commissioner Meiberger revised the target date for Bankers Trust Dedicated Sweep Account to April 1995.

Member information briefing on options for police and fire target date was revised to April 1995.

No action taken; informational item only.

5. **DELEGATION OF AUTHORITIES REVISIONS**

a. **Delegation of Trading Authority**

Carolyn Hamilton, Acting Chief Investment Officer, presented an oral report to the Board on this item.

Commissioner Hiatt requested that future recommended revisions be explained on the Board calendar sheet.

**ACTION:** It was moved by Driscoll, seconded by Casciato to approve the Delegation of Authorities revision; motion passed 4-0.

## **CONSENT CALENDAR**

The following items were presented:

1. **VOLUNTARY RETIREMENT BOARD LIST NO. 18-94**
2. **DECISION OF HEARING OFFICER**

- a. Thomas M. Duff  
7334 Stationary Engineer - SFUSD  
Ordinary Retirement Disability  
Effective: February 3, 1994 Granted
  
- b. William P. Jovick  
H-32 Captain - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective: July 16, 1994 Denied
  
- c. Stephen S. Baron (Spouse)  
Nancy Klapp (Deceased)  
1452 Executive Secretary - Park & Traffic Dept.  
Ordinary Disability Retirement  
Effective: January 15, 1995 Granted
  
- d. Helen Patek  
2496 Radiologic Technician Supervisor - SFGH  
Ordinary Disability Retirement  
Effective: June 1, 1994 Granted
  
- e. Timothy D. Ryan  
H-30 Captain - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective: August 1, 1994 Granted
  
- f. Lawrence Weber  
3417 Gardener - Recreation & Park  
Ordinary Disability Retirement  
Effective: July 1, 1994 Granted
  
- 3. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
  
- a. Danielle R. Davis
  
- b. Evelyn F. Merrill
  
- 4. REQUEST TO APPROVE LEGISLATION TO AMEND ADMINISTRATIVE CODE SECTION 16.6-29

5. REQUEST AUTHORIZATION FOR MARIA NEWPORT, ADMINISTRATOR RETIREMENT SERVICES, TO ATTEND "A NEW GENERATION OF COMMUNICATION" CONFERENCE HELD IN PALM SPRINGS ON APRIL 3-5, 1995.
6. REQUEST AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO ATTEND THE "FIRST RESERVE FUND VI ANNUAL CLIENT CONFERENCE" ON APRIL 26-28, 1995, HELD IN HOUSTON, TEXAS.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to approve Consent calendar except items: 2b, 3a, 3b; motion passed 4-0.

It was moved by Meiberger, seconded by Driscoll to approve item 2b; motion passed 4-0.

It was moved by Casciato, seconded by Driscoll, to approve the request for hardship withdrawal for participant Danielle R. Davis net amount not exceed \$2,673.68. One half shall be paid as soon as possible, the second half to be approved by staff per proper documentation; motion passed 4-0.

It was moved by Casciato, seconded by Meiberger to approve the request for hardship withdrawal for participant Evelyn F. Merrill with the stipulation that memorandum which was prepared by staff be revised; motion passed 4-0.

## SUPPLEMENTAL CALENDAR

Resolution(s), if any, to be adopted within limits imposed by the Sunshine Ordinance and the Ralph M. Brown Act, introduced today, not on the printed agenda. For such resolutions to be considered, the Board must first adopt motion (a) or motion (b) and then adopt motion (c).

(a) [Serious Injury Finding]

Motion that the Board find by roll call vote that for the resolution(s) being considered at this time "the need to take action is so imperative as to threaten serious injury to the public interest if action is deferred to a later meeting."

**ACTION:**

(b) [Purely Commendatory Finding]

Motion that the Board find by roll call vote that the resolution(s) being considered at this time are purely commendatory.

**ACTION:**

(c) [Brown Act Finding]

Motion that the Board find by roll call vote that for the resolutions being considered at this time there is a need to take immediate action and the need to take action came to the attention of the City and County of San Francisco after the agenda was posted.

**ACTION:**

(d) [Supplemental Action, if any]

**ACTION:**

**LUNCH BREAK**

**INVESTMENT CALENDAR**

1. **ALTERNATIVE INVESTMENT RECOMMENDATION**

Gary Hiatt, Portfolio Manager, and Bob Mast of Cambridge Associates, presented a written and oral report to the Board on this item.

Commissioner Martel arrived during this item.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to recuse Commissioner Martel due to the fact she was not present for the entire discussion; motion passed 5-0.

It was moved by Driscoll, seconded by Meiberger to invest \$20 million in Clayton, Dubilier & Rice V, L.P.; motion passed 4-0 (Martel recused).

2. **CONSIDERATION OF INVESTMENT IN ABRY BROADCAST PARTNERS II, LP**

Commissioner Meiberger presented a written and oral report to the Board on this item.

**ACTION:** It was moved by Meiberger, seconded by Casciato to invest up to \$10 million to ABRY Broadcast Partners II, L.P. subject to review by legal counsel; motion passed 3-2 (Driscoll, Hiatt).

3. COMMERCIAL MORTGAGE QUARTERLY REPORT

Carolyn Hamilton, Acting Chief Investment Officer, Richard J. Piket, Portfolio Manager, and Frank Blaschka provided an outline of performance and credit evaluation reporting procedures with respect to the Retirement Fund's investments in commercial mortgages. No action taken; informational item only.

4. QUARTERLY REPORT ON REAL ESTATE PERFORMANCE

Carolyn Hamilton, Acting Chief Investment Officer, Gary Hiatt, Portfolio Manager, and Frank Blaschka, representative from The Townsend Group presented a written and oral report to the Board on this item.

Commissioner Driscoll requested clarification on the actual amount to be invested.

No action taken; informational item only.

5. REAL ESTATE MANAGER PRESENTATION - SCHRODER FUND A

Linda Wooldridge and Randy Frisk, representatives from Schroder Real Estate, presented a written and oral report to the Board on their investments in real estate for the Fund.

No action taken; informational item only.

6. PROCEDURES ON MANAGER HIRING AND FIRING

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report outlining the most important criteria for hiring and firing investment managers.

No action taken; informational item only.

7. CHIEF INVESTMENT OFFICER'S REPORT

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report to the Board on this item.

1. Ms. Hamilton reported that there were no proxy votes.
2. Ms. Hamilton reported that Nicholas-Applegate Capital Management, and Criterion Investment Management Company are combining to create a \$23 billion firm.
3. Ms. Hamilton reported to the Board on the recent resignations of Howard S. Marks and four other key executives from Trust Company of the West.

4. Ms. Hamilton reported on the conference on Soft Dollars and Directed Commissions which she attended.

## **GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. SFOHS - Medical Treatment Facility Contract: Ms. Murphy reported that the Contract has been signed, and she will provide a copy of contract with list of designated departments to Commissioner Casciato.
2. Chief Investment Officer Selection: Ms. Murphy reported that the selection of Chief Investment Officer would be concluding shortly. References are still being reviewed.
3. Collective Bargaining Issues Update: Ms. Murphy reported on issues relating to negotiations with employee groups and the effects on the Retirement System.
4. Statement of Economic Interest: Ms. Murphy reminded the Board of the deadline for filing the forms is April 3, 1995.
5. Ms. Murphy reported that the Peter Ashe Roast would take place on Tuesday, April 4, 1995.
6. Ms. Murphy gave an update on Dr. Breall's health.
7. Ms. Murphy informed the Board that she would be making a complete report on the Council of Institutional Investors' Conference she recently attended.

## **ACTUARY'S REPORT**

Kieran Murphy, Actuary, reported that a member of the Mayor's Blue Ribbon Task Force had contacted him regarding issues relating to Retirement contributions and rates of return.

## **CITY ATTORNEY'S REPORT**

No report was made.



## BOARD MEMBERS

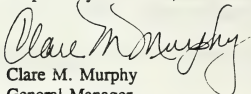
Commissioner Casciato commended the staff on the courteous manner in which people are greeted at the Retirement System.

Commissioner Meiberger stated that it was his objective to solicit RFP's for a high yield bond manager in the light of the recent resignations of Howard S. Marks and four other executives from Trust Company of the West.

Commissioner Meiberger requested clarification regarding the Deferred Compensation participant fee.

There being no further business, the Board adjourned its regular meeting ending at 4:00 p.m.

Respectfully submitted,

  
Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Lorelei Krieger of Adams Reporting Services.





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

TUESDAY, APRIL 11, 1995

10:00 A.M.

Present: Constance M. Hiatt

Vice President

Al Casciato

Commissioner

Joseph D. Driscoll

Commissioner

Patricia Martel

Commissioner

Herb Meiberger

Commissioner

Absent: William Breall, M.D.

Commissioner

Angela Alioto

Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of March 28, 1995.

ACTION: Approved.

DOCUMENTS DEPT.

MAY -1 1995

SAN FRANCISCO  
PUBLIC LIBRARY

# REPORT

1. The first part of the report discusses the background and objectives of the study. It outlines the scope of the research and the methods used to collect and analyze the data.

2. The second part of the report presents the results of the study. It includes a detailed description of the data collected and the analysis performed. The results are presented in a clear and concise manner, using tables and figures where appropriate.

3. The third part of the report discusses the conclusions of the study. It summarizes the findings and discusses their implications. It also includes a discussion of the limitations of the study and suggestions for future research.

4. The fourth part of the report is a bibliography of the sources used in the study. It lists all the books, articles, and other materials that were consulted during the research process.

5. The fifth part of the report is a list of the authors and their affiliations. It includes the names of all the people who contributed to the study and the institutions they are associated with.

1.

2.

3.

4.

Ref.

## **RETIREMENT BOARD**

### **REGULAR MEETING**

### **PUBLIC COMMENT**

### **REGULAR CALENDAR**

#### **1. REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare M. Murphy, General Manager reviewed the list of Shared Values and Behaviors with the Board.

No action taken; informational item only.

#### **2. PUBLIC RECORDS ACT - RULE 50**

Clare M. Murphy, General Manager, presented to the Board staff procedures concerning Public Record as required by Resolution 50.

**ACTION:** It was moved by Casciato, seconded by Driscoll to approve Public Record Procedures; motion passed 4-1 (Meiberger).

#### **3. DELEGATION OF AUTHORITY REVISION**

Clare M. Murphy, General Manager, announced that Carolyn Hamilton is the new Chief Investment Officer.

**ACTION:** It was moved by Meiberger, seconded by Martel to adopt the Delegation of Authority revision; motion passed 5-0.

#### **4. LEGAL OPINION ON CALIFORNIA PENSION PROTECTION ACT 1992**

Clare M. Murphy, General Manager, Dan Maguire, Deputy City Attorney, presented an oral report to the Board on this item.

Commissioner Hiatt presented the background relating to the legal opinion on California Pension Protection Act 1992.

Dan Maguire, Deputy City Attorney, presented City Attorney's rationale and process. City Attorney was unable to say with certainty that Proposition 162 does give SFERS budget independence. The City Attorney found that the SFERS has budget autonomy regarding investment issues under a 1968 Charter amendment and has budget autonomy regarding administrative issues under a 1982 Charter amendment.

City Attorney is of the opinion that SFERS does have independent budget authority under the Charter.

Clare Murphy reported that she will be meeting with the City Attorney and Controller to discuss procedural issues relating to the implementation of an independent budget. Ms. Murphy will also review methods used by other retirement systems which utilize an independent budget process. She will report to the Board her findings at the April 25, 1995 meeting.

## **PUBLIC REPORT OF ACTION TAKEN IN CLOSED SESSION**

The Retirement Board met in closed session to confer with legal counsel on the following cases pursuant to Government Code §54956.9:

### **a. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

#### **Application of Judith Hardiman v. San Francisco Retirement Board**

Dan Maguire, Deputy City Attorney, discussed with the Board the legal proceedings of the disability retirement case of Judith Hardiman. The City Attorney will report back to the Board on the status of this case.

## **CONSENT CALENDAR**

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 19-94
2. DECISION OF HEARING OFFICER

- a. James E. Gallagher  
H-2 Firefighter - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective: November 16, 1992

**Denied**

- b. Sam C. Harper  
H-30 Captain - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective: January 3, 1995 Granted
  
- c. Sandra L. Matli  
8146 D.A. Investigator - District Attorney Dept.  
Ordinary Retirement Disability  
Effective: September 1, 1993 Granted
  
- d. Richard R. Racine  
Q-60 Lieutenant - Police Department  
Industrial Disability Retirement/Stipulation  
Effective: January 15, 1994 Denied
  
- e. Sheila Weber  
2912 Sr. Social Worker - Department of Social Services  
Ordinary Retirement Disability  
Effective: April 1, 1994 Granted

3. PETITION FOR REHEARING

- a. Juanita Anderson  
Teacher - SFUSD  
Ordinary Retirement Disability/Stipulation  
Effective: June 18, 1994 Denied
  
- b. Justin P. Smith, Jr.  
Kathleen M. Smith (Spouse)  
H-2 Firefighter - Fire Department  
Death in the Line of Duty  
Effective: September 29, 1993 Granted

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Michele Landi
  
- b. Rafael C. Trujillo

5. REQUEST AUTHORIZATION FOR HERB MEIBERGER, BOARD MEMBER, TO ATTEND THE "INSTITUTIONAL INVESTOR INSTITUTE CONFERENCE" ON APRIL 20-21, 1995, HELD IN CORONADO, CA.

6. REQUEST AUTHORIZATION FOR MARK COLEMAN, SECURITY ANALYST, TO ATTEND THE "INSTITUTIONAL INVESTOR INSTITUTE CONFERENCE, TO BE HELD ON APRIL 20-21, 1995, IN CORONADO, CA.
7. REQUEST AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO ATTEND "BURR, EGAN, DELEAGE & CO. ANNUAL MEETING", ON MAY 15-17, 1995, IN BOSTON, MA.
8. REQUEST AUTHORIZATION FOR TWO MEMBERS OF THE ACCOUNTING STAFF TO ATTEND THE "BANKERS TRUST USERS' CONFERENCE" IN LOS ANGELES, CA, ON MAY 18-19, 1995.

**ACTION:** It was moved by Meiberger, seconded by Martel to adopt the Consent Calendar; motion passed 5-0.

### **SUPPLEMENTAL CALENDAR**

Resolution(s), if any, to be adopted within limits imposed by the Sunshine Ordinance and the Ralph M. Brown Act, introduced today, not on the printed agenda. For such resolutions to be considered, the Board must first adopt motion (a) or motion (b) and then adopt motion (c).

**(a) [Serious Injury Finding]**

Motion that the Board find by roll call vote that for the resolution(s) being considered at this time "the need to take action is so imperative as to threaten serious injury to the public interest if action is deferred to a later meeting."

**ACTION:**

**(b) [Purely Commendatory Finding]**

Motion that the Board find by roll call vote that the resolution(s) being considered at this time are purely commendatory.

**ACTION:**

**(c) [Brown Act Finding]**

Motion that the Board find by roll call vote that for the resolutions being considered at this time there is a need to take immediate action and the need to take action came to the attention of the City and County of San Francisco after the agenda was posted.

**ACTION:**

(d) [Supplemental Action, if any]

**ACTION:**

**GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. SFOHS Contract Update: Ms. Murphy reported that a copy of the signed contract with list of designated departments has been provided to Commissioner Casciato and is available to other members.
2. Collective Bargaining Issues Update: Ms. Murphy requested Board to urge the Mayor to pursue an analysis comparing City's retirement benefits with the benefits of other public pension plans.
3. Ms. Murphy informed the Board of upcoming educational opportunities.
4. Ms. Murphy reported that City Attorney has prepared an opinion regarding 3rd party payment of expenses relating to Board and staff travel.
5. Ms. Murphy reported that she, the City Attorney and the Chief Investment Officer have been active in seeking outside counsel for ABRY and SCF Partners Investments. The City Attorney's office is engaging in contracts on behalf of SFERS with outside legal counsel.
6. Ms. Murphy and Carolyn Hamilton will begin the process of selecting a Portfolio Manager.

**LUNCH BREAK**

**INVESTMENT CALENDAR**

**1. STRATEGIC ASSET ALLOCATION REPORT**

Carolyn Hamilton, Chief Investment Officer, Larry Davanzo and Leslie Kautz of Asset Strategy Consulting presented a detailed report of the components of the Asset Strategy Allocation report which included: discussion of current investment structure, developments of capital market assumptions, identification of alternative optimal allocations and asset liability projections.



Kieran Murphy, Actuary, also made a presentation to the Board and discussed alternative asset allocations.

The Board directed staff and consultants to provide a number of specific additional reviews concerning asset allocation and capital market assumptions.

2. **ALTERNATIVE INVESTMENT RECOMMENDATION: SCF PARTNERS 1995 INVESTMENT FUND**

Gary Hiatt, Portfolio Manager, and Cynthia Frost and Christine Daly, consultants of Cambridge Associates, presented a written and oral report to the Board on this item.

It was recommended that the Retirement System invest up to \$20 million in SCF Partners 1995 subject to appropriate key person clause.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to approve the investment recommendation: SCF Partners 1995 Investment Fund; motion passed 5-0.

3. **REPORT ON OPTIONS OVERLAY PROGRAM PARTNERS**

Carolyn Hamilton, Chief Investment Officer, and Mark Coleman, Security Analyst, in response to an item on the Unfinished Business presented a written and oral report to the Board on this item.

No action taken; informational item only.

4. **EDUCATIONAL SURVEY**

Carolyn Hamilton, Chief Investment Officer, presented to the Board a voluntary survey to be completed by the Board members in order to assist investment staff to ascertain how to provide information to the trustees on investment matters during or after normal Board meeting times, but still complying with open meeting laws.

No action taken; informational item only.

5. **CASH MANAGEMENT INVESTMENT RECOMMENDATION: BANKERS TRUST DEDICATED SWEEP ACCOUNT**

Carolyn Hamilton, Chief Investment Officer, and Richard Piket, Portfolio Manager, presented a written and oral report to the Board on this item.

Staff recommended utilizing a Customized Short Term Investment Fund (CSTIF) managed by Bankers Trust for domestic cash reserves.



**ACTION:** It was moved by Meiberger, seconded by Driscoll to approve replacement of current Bankers Trust STIF account with a new CSTIF account; motion passed 5-0.

**6. CHIEF INVESTMENT OFFICER'S REPORT**

Carolyn Hamilton, Acting Chief Investment Officer, presented a written and oral report to the Board on this item.

1. Ms. Hamilton reported that ITT Hartford has proposed an additional investment option. She reported to the Board that she will review with staff and report back to the Board at a later date.
2. Ms. Hamilton gave an update on the status of Trust Company of the West (TCW).

Richard Piket reported on his due diligence relating to the principals of Crescent Capital who were recently hired by TCW to replace key executives who recently resigned.

**PROXY VOTES:**

1. The Retirement Board reviewed one proxy issue for First Fidelity Bancorporation. The issue to nominate two board members for each board position. The vote was five against.
2. The Retirement Board reviewed four proxy issues from Acacia Capital on their role in lieu of the participants of the Deferred Compensation Plan for deferred compensation investment.

The following are proxy voting results:

1. To approve a new investment advisory agreement for the Portfolio with Calvert Asset Management Agreement.

For 4 Against 1

2. To approve a new investment subadvisory agreement to be entered into NCM Capital Management Group, Inc. The agreement allows for a performance fee adjustment, to be added to the base fee, beginning July 1, 1996.

For 3

Against 2

3. To approve a change in the investment objective to allow investment in a nondiversified portfolio of securities, and to approve a change to the fundamental investment restrictions to reflect this status.

For 0

Against 5

4. To allow the investment objective to be nonfundamental, so that future changes may be made by the Board of Directors with advance written notice to shareholders.

For 1

Against 4

### ACTUARY'S REPORT

Clare Murphy, General Manager, and Kieran Murphy, Actuary, presented an overview of Mayor's Blue Ribbon Task Force recommendations to the Board. Further information regarding issue will be provided to the Board.

### CITY ATTORNEY'S REPORT

No report was made.

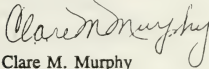
### BOARD MEMBERS

Commissioner Meiberger reported that \$5 million has been committed to ABRY.

Discussion regarding a management position in the budget was held. The General Manager reported that she has been reviewing this matter with Department of Human Resources. She will provide the Board with a justification on a senior Chief of Operations Management position and other reorganizations as required. The high administrative costs for the system were discussed, and it was recommended that they be reviewed along with increased management positions.

There being no further business, the Board adjourned its regular meeting ending at 5:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Clare M. Murphy".

Clare M. Murphy  
General Manager

**Note:** A transcript was made of the regular meeting by Lorelei Krieger and Jewel Michaelson of Adams Reporting Services.





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

TUESDAY, APRIL 25, 1995

10:00 A.M.

Present:	Constance M. Hiatt	Vice President
	Al Casciato	Commissioner
	Patricia Martel	Commissioner
	Herb Meiberger	Commissioner
Absent:	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Kevin Shelley	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of April 11, 1995.

ACTION: Approved.

DOCUMENTS DEPT.

JUN 06 1995

SAN FRANCISCO  
PUBLIC LIBRARY



## **RETIREMENT BOARD**

### **REGULAR MEETING**

### **PUBLIC COMMENT**

### **REGULAR CALENDAR**

#### **PUBLIC REPORT OF ACTION TAKEN IN CLOSED SESSION**

The Retirement Board met in closed session to confer with legal counsel on the following cases pursuant to Government Code §54956.9:

a. **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Application of Louis Leibowitz

Dan Maguire, Deputy City Attorney, discussed with the Board the potential litigation case of Louis Leibowitz. The Board requested that the City Attorney and staff negotiate with the claimant and report back to the Board.

1. **REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare M. Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

No action taken; informational item only.

2. **STRATEGIC PLAN MONTHLY PROGRESS REVIEW**

Clare M. Murphy, General Manager, presented a written and oral report to the Board.

No action taken; informational item only.

Commissioner Martel arrived during this item.

3. UNFINISHED BUSINESS LIST REPORT

Clare M. Murphy, General Manager, presented a written and oral report to the Board.

Commissioners Hiatt and Meiberger requested a copy of letters regarding 457 Plan Deferred Compensation, which were sent to United States legislators representatives.

No action taken; informational item only.

4. QUARTERLY REPORT ON CONCEPTS AND STATUS OF THE AUTOMATED RETIREMENT SYSTEM

Linda Richards, Information Services Manager, presented an oral report to the Board on this item.

No action taken; informational item only.

5. NEW INVESTMENT OPTION FOR DEFERRED COMPENSATION PLAN

Carolyn Hamilton, Chief Investment Officer, presented a written and oral report on the Hartford Dividend and Growth Fund, a new investment option for deferred compensation participants.

**ACTION:** It was moved by Casciato, seconded by Martel to approve the Hartford Dividend and Growth Fund managed by Wellington Management Company as an investment option for deferred compensation participants; motion passed 4-0.

6. ADJUSTMENT OF DISABILITY RETIREMENT ALLOWANCE ROBERTS S. BARRINGTON

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

**ACTION:** Board members voted unanimously to approve adjustment for Industrial Disability Retirement allowance for Robert S. Barrington, adjusting rate from 50% to 56 3/4%.

7. INFORMATION ON RETIREMENT OPTIONS

Maria Newport, Retirement Services Administrator, and Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.



Commissioner Casciato requested that when booklets with information relating to options for Retirement System are prepared, they also should be available to public on disc "read only" for broader distribution.

The request will be reviewed by Benefits Administration Committee.

8. **CONSIDERATION OF SCHEDULING A PRESENTATION BY THE MAYOR'S OFFICE CONCERNING CONTRIBUTION RATES, ASSUMPTIONS, AND ASSET ALLOCATION AT A FUTURE DATE**

Clare Murphy, General Manager, reported that the Mayor's office had requested to schedule a presentation to the Retirement Board concerning contribution rates, assumptions, and asset allocation. The Board discussed this item and the availability of various members of the Board.

**ACTION:** It was moved by Casciato, seconded by Martel to schedule a presentation by the Mayor's office at the May 9, 1995 Retirement Board meeting; motion passed 3-1 (Meiberger).

9. **PRESENTATION BY MAYOR'S OFFICE CONCERNING CONTRIBUTION RATES, ASSUMPTIONS, AND ASSET ALLOCATION**

Continued to the calendar of May 9, 1995.

**LUNCH BREAK**

**INVESTMENT CALENDAR**

1. **REPORT ON DIRECTED COMMISSIONS: SOFT DOLLARS AND COMMISSION RECAPTURE FIRMS**

Carolyn Hamilton, Chief Investment Officer, presented a written and oral report to the Board.

Ms. Hamilton reviewed with the Board staff recommendations for proposals to approve Direct Commission Policy, to increase the percentage of commissions directed to recapture brokerage firms and to expand the scope the number of recapture brokerage firms.

**ACTION:** It was moved by Meiberger, seconded by Casciato to adopt a Directed Commission Policy, to increase the percentage of commissions directed to recapture brokerage firms, and to expand the number of recapture brokerage firms; motion passed 4-0.

2. ALTERNATIVE INVESTMENT CONSULTANT REVIEW

Gary Hiatt, Portfolio Manager, presented a written and oral report to the Board.

Mr. Hiatt reviewed with the Board the progress of the Retirement System's Alternative Investments Consultant, Cambridge Associates, Inc.

Commissioner Meiberger requested names and phone numbers of the 25 recommended firms.

No action taken; informational item only.

3. RESULTS OF EDUCATIONAL SURVEY

Carolyn Hamilton, Chief Investment Officer, presented a written and oral report to the Board on this item.

Chief Investment Officer reported to the Board the results of the educational survey and highlighted the suggestions from the Retirement Board members regarding optional times and topics of interest.

Ms. Hamilton reported that she will schedule a session on the latest legal rulings and regulations concerning public pension fund.

4. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

The Retirement Board reviewed one proxy issue for Philip Morris. The issue was the approval of the management slate of directors.

The vote was 3 to 1 in favor.

## CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

1. VOLUNTARY RETIREMENT BOARD LIST NO. 20-94

2. DECISION OF HEARING OFFICER

- a. Frederick J. Groven  
0380 Inspector - Police Department  
Industrial Disability Retirement  
Effective: November 1, 1994  
Granted
- b. Thomas D. MacNair  
2905 Sr. Eligibility Worker - DSS  
Ordinary Retirement Disability/Vesting  
Effective: January 6, 1995  
Granted
- c. Mimi Michaelson  
2942 Sr. Welfare Worker - DSS  
Ordinary Retirement Disability/Vesting  
Effective: June 1, 1994  
Granted
- d. Paul R. Vega (Deceased)  
Maria Elena Vega (Daughter)  
Continuation of Allowance to adult dependent child  
Effective: May 15, 1994  
Granted
- e. Harry Vogl  
H-20 Lieutenant - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective: January 2, 1994  
Granted

3. PETITION FOR REHEARING

- a. William P. Jovick  
H-32 Captain - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective: July 16, 1994  
Denied
- b. Patrick D. Lucey  
8306 Sr. Deputy Sheriff  
PERS  
Effective: December 28, 1993

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Helen Villanueva

5. REQUEST AUTHORIZATION FOR CLARE M. MURPHY, GENERAL MANAGER, TO ATTEND THE "MARKET MAKERS 1995" TO BE HELD IN TELLURIDE, COLORADO, ON JUNE 26-29, 1995.
6. REQUEST AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO ATTEND THE "ADVISORY BOARD AND ANNUAL MEETINGS FOR GROTECH PARTNERS IV. L.P.," HELD IN HUNT VALLEY, MARYLAND, ON MAY 18-20, 1995.
7. REQUEST AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO ATTEND THE "ADVISORY BOARD MEETING OF THE CORE GROUP TRUST" HELD IN DALLAS, TEXAS, ON MAY 24, 1995.

**ACTION:** It was moved by Casciato, seconded by Meiberger to approve the Consent Calendar; motion passed 4-0.

### **SUPPLEMENTAL CALENDAR**

Resolution(s), if any, to be adopted within limits imposed by the Sunshine Ordinance and the Ralph M. Brown Act, introduced today, not on the printed agenda. For such resolutions to be considered, the Board must first adopt motion (a) or motion (b) and then adopt motion (c).

**(a) [Serious Injury Finding]**

Motion that the Board find by roll call vote that for the resolution(s) being considered at this time "the need to take action is so imperative as to threaten serious injury to the public interest if action is deferred to a later meeting."

**ACTION:**

**(b) [Purely Commendatory Finding]**

Motion that the Board find by roll call vote that the resolution(s) being considered at this time are purely commendatory.

**ACTION:**

**(c) [Brown Act Finding]**

Motion that the Board find by roll call vote that for the resolutions being considered at this time there is a need to take immediate action and the need to take action came to the attention of the City and County of San Francisco after the agenda was posted.

**ACTION:**

(d) [Supplemental Action, if any]

**ACTION:**

**GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Budget Review Options: Ms. Murphy presented the Board with an interim report relating to California Pension Protection plan illustrating how other counties implement their budget under Proposition 162.  
  
Ms. Murphy reported that she will be reviewing the budget for SFERS with the Mayor on May 11, 1995.
2. Collective Bargaining Issues: Ms. Murphy provided Board with update of negotiation and MOUs which are taking place at this time between City and County of San Francisco and various labor organizations.
3. Ms. Murphy informed the Board of the upcoming construction of the offices at 1155 Market Street which is scheduled to begin on May 4, 1995.

**ACTUARY'S REPORT**

Kieran Murphy updated the Board on state legislation relating to Probation Officers transfer of service prior to 9-1-90 to PERS.

Kieran Murphy reported on membership Ordinance.

**CITY ATTORNEY'S REPORT**

No report was made.

## BOARD MEMBERS

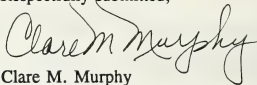
Commissioner Casciato requested to calendar presentation by Mayor's office regarding contribution rates, assumptions, and asset allocation be placed first on the May 9, 1995 calendar.

It was decided to start the May 9, 1995 Retirement Board meeting at 9:00 AM.

Commissioner Meiberger reported on the Institutional Investors' Public Funds Roundtable, which he recently attended.

There being no further business, the Board adjourned its regular meeting ending at 2:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Clare M. Murphy". The signature is written in dark ink and is positioned above the printed name and title.

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson of Adams Reporting Services.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

TUESDAY, MAY 9, 1995

9:00 A.M.

Present: Constance M. Hiatt

President

William Breall, M.D.

Commissioner

Al Casciato

Commissioner

Joseph D. Driscoll

Commissioner

Patricia Martel

Commissioner

Herb Meiburger

Commissioner

Absent: Member of the Board of Supervisors

Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of April 25, 1995.

ACTION: Approved.

DOCUMENTS DEPT

JUN 05 1995

SAN FRANCISCO  
PUBLIC LIBRARY

# 23 JUL 1964

1. The first part of the report deals with the general situation of the project. It is a summary of the work done during the last year and a half. It is a summary of the work done during the last year and a half.

2. The second part of the report deals with the results of the work done during the last year and a half. It is a summary of the work done during the last year and a half.

3. The third part of the report deals with the results of the work done during the last year and a half. It is a summary of the work done during the last year and a half.

4. The fourth part of the report deals with the results of the work done during the last year and a half. It is a summary of the work done during the last year and a half.

5. The fifth part of the report deals with the results of the work done during the last year and a half. It is a summary of the work done during the last year and a half.

6. The sixth part of the report deals with the results of the work done during the last year and a half. It is a summary of the work done during the last year and a half.

7. The seventh part of the report deals with the results of the work done during the last year and a half. It is a summary of the work done during the last year and a half.

8. The eighth part of the report deals with the results of the work done during the last year and a half. It is a summary of the work done during the last year and a half.



## RETIREMENT BOARD

### REGULAR MEETING

### PUBLIC COMMENT

Vice-President Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### SPECIAL ORDER

Election of Officers: President and Vice President

In accordance with Board Rule One, Section 1.03, the Board conducted the election of officers for the ensuing term of office.

For President: The Board unanimously elected Commissioner Constance Hiatt for President. Commissioner Hiatt was elected President for the period through March 12, 1996.

For Vice President: The Board, after discussion, tabled the selection of Vice-President to a future meeting date.

### REGULAR CALENDAR

1. PRESENTATION BY THE MAYOR'S OFFICE CONCERNING CONTRIBUTION RATES, ASSUMPTIONS, AND ASSET ALLOCATION

Mr. Mike Martin and Mr. Rich Hillis of the Mayor's office presented a written report to the members highlighting the recommendations of the Mayor's Blue Ribbon Task Force regarding the investment policies of the Retirement System.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

2. REVIEW OF SHARED VALUES AND BEHAVIORS

Clare M. Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

This is an information item only; no action was taken.

3. PURCHASE OF SERVICE PROJECT-PROGRESS REPORT

Maria Newport, Retirement Administrator, updated the Board on the progress of the purchase of prior service requests.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

4. BUDGET PROCESS REVIEW

Clare Murphy, General Manager, reviewed with the Board the budget process relating to the California Public Pension Plan, Proposition 162. The additional review will focus on budget analysis, base budget verification and external reporting. Ms. Murphy said that she will be meeting with the Controller's office and will report back to the Board.

This is an information item only; no action was taken.

5. ADJUSTMENT OF DISABILITY RETIREMENT ALLOWANCE - JOHN R. PORTER

Kay Gulbengay, Executive Assistant, presented a written report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** Board members voted unanimously to approve adjustment for Industrial Disability Retirement allowance for John R. Porter, adjusting the rate from 50% to 80%.

## **PUBLIC REPORT OF ACTION TAKEN IN CLOSED SESSION**

The Retirement Board met in closed session to confer with legal counsel on the following cases pursuant to Government Code §54956.9:

a. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Application of Judith Hardiman

Dan Maguire, Deputy City Attorney, reported that the Retirement Board directed him to pursue the appropriate legal remedies to provide that Officer Hardiman's disability pension application be conducted at a public meeting.

## CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

1. VOLUNTARY RETIREMENT BOARD LIST NO. 21-94

2. DECISION OF HEARING OFFICER

- |    |  |         |
|----|--|---------|
| a. | Leo P. Martinez<br>H-2 Firefighter - Fire Department<br>Industrial Disability Retirement/Stipulation<br>Effective: July 10, 1994           | Granted |
| b. | George S. Paganucci<br>Q-2 Police Officer - Police Department<br>Industrial Disability Retirement  | Denied  |
| c. | Evangeline S. Reyes<br>1657 Sr. Systems Accountant - Controller's Department<br>Ordinary Retirement Disability<br>Effective: March 7, 1995 | Granted |
| d. | Richard Walsh<br>H-30 Captain - Fire Department<br>Industrial Disability Retirement/Stipulation<br>Effective: May 2, 1995                  | Granted |
| e. | Donna West<br>2305 Psychiatric Technician - DPH<br>Ordinary Retirement Disability<br>Effective: February 1, 1995                           | Granted |

3. PETITION FOR REHEARING

- a. Gary J. Torres  
H-40 Battalion Chief - Fire Department  
Industrial Disability Retirement/Stipulation Denied

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Christopher J. Rigney  
b. Alejandro Sausa

- ACTION:**
1. It was moved by Breall, seconded by Driscoll to approve the Consent Calendar except item 2b; motion passed 6-0.
  2. During discussion, Commissioner Casciato asked that a letter be sent to the Police Chief to clarify the Department's light duty policy. It was moved by Breall, seconded by Casciato to approve item 2b; motion passed 6-0.

**LUNCH BREAK**

**INVESTMENT CALENDAR**

5. QUARTERLY ASSET ALLOCATION REPORT

Carolyn Hamilton, Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and oral report to the Board recommending specific asset allocations to find benefits and new investment requirements.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Casciato to approve staff recommendation; motion passed 6-0.

1. STRATEGIC ASSET ALLOCATION

Larry Davanzo, of Asset Strategy Consulting and Carolyn Hamilton, Chief Investment Officer, presented a written and an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Mr. Davanzo reviewed with the Board recommendations for future asset allocation strategies for the San Francisco Retirement Fund.

**ACTION:** It was moved by Casciato, seconded by Meiberger to continue the discussion on investment calendar item no. 1 and regular calendar item nos. 6 and 7 to Monday, May 15, 1995 at 12:00 noon; motion passed 4-1 (Hiatt).

[Commissioner Martel left during the discussion of this item.]

## **REGULAR CALENDAR**

(Continued)

6. REVIEW OF MAYOR'S OFFICE REQUEST FOR RECONSIDERATION OF ECONOMIC ASSUMPTIONS FOR 1995-1996

**ACTION:** This item was continued to Monday, May 15, 1995 at 12:00 noon.

7. REVIEW OF MAYOR'S OFFICE REQUEST FOR RECONSIDERATION OF 1995-1996 EMPLOYER CONTRIBUTION RATES

**ACTION:** This item was continued to Monday, May 15, 1995 at 12:00 noon.

## **INVESTMENT CALENDAR**

(Continued)

2. REPORT ON TOTAL PORTFOLIO PERFORMANCE

Carolyn Hamilton, Chief Investment Officer, presented a written and an oral report to the Board detailing the performance results for the period ended March 31, 1995, in which the aggregate fund increased 5.24% to \$6.3 billion.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

3. QUARTERLY REPORT DOMESTIC EQUITY PERFORMANCE

Mark Coleman, Security Analyst, presented a written and oral report to the Board reviewing the Domestic Equity Managers for the quarter ending March 31, 1995.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

4. **QUARTERLY REPORT DOMESTIC FIXED INCOME PERFORMANCE**

Richard Piket, Portfolio Manager, presented a written and oral report to the Board on this item.

Mr. Piket reviewed the performance results for the San Francisco Retirement System Domestic Fixed income portfolios for the period ending March 31, 1995.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

6. **CHIEF INVESTMENT OFFICER'S REPORT**

- a. Ms. Carolyn Hamilton, Chief Investment Officer, reported to the Board the staff recommendations regarding the possibility of an Opportunity Fund. The Board reviewed the item with Ms. Hamilton and suggested that this be revisited at the June 15, 1995 Strategic Planning Seminar.
- b. Ms. Hamilton reviewed with the Board the guidelines of the staff transaction reporting requirements.

Commissioner Driscoll requested that once the guidelines are in place that someone be appointed to review the list of requirements to assure compliance.

## **GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. **Collective Bargaining Issues:** Ms. Murphy reported that nearly all MOU's between City and County of San Francisco and labor organizations have been completed. Ms. Murphy updated the Board on the membership ordinance which is scheduled before Government Efficiency and Labor Committee of the Board of Supervisors on May 23, 1995.
2. **1155 Market Construction:** Ms. Murphy updated the Board on the construction of the offices at 1155 Market Street.

3. Supplemental Appropriation for Workers' Compensation Division: Ms. Murphy reported that the ordinance was finally passed by the Board of Supervisors on May 8, 1995.
4. Ms. Murphy provided a list of educational opportunities to the Board.

### **ACTUARY'S REPORT**

Kieran Murphy, Actuary, reported that he and Catherine Cole of Tower Perrins have been reviewing the documentation relating to the Mayor's Blue Ribbon Task Force recommendations. They will be available and prepared to report on the reconsideration of economic assumptions for 1995-96 year and the reconsideration of 1995-96 employer contribution rates.

### **CITY ATTORNEY'S REPORT**

No report was made.

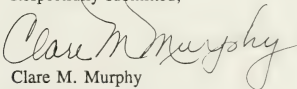
### **BOARD MEMBERS**

Commissioner Casciato requested the Board members to review a letter to Supervisor Kevin Shelley regarding Deferred Compensation participant fee.

Commissioner Casciato thanked staff for data concerning the Police Department pre-employment rejection appeal types and costs which was helpful in developing cost saving policies.

There being no further business, the Board adjourned its regular meeting at 3:40 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson and Lorlei Krieger of Adams Reporting Services.





1868

1868

1868

1868

1868

1868

1868

1868

1868

1868

1868

1868

1868

1868

1868

1868

1868





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

ADJOURNMENT AND CONTINUATION OF MAY 9, 1995 MEETING

TO

MAY 15, 1995

AT

12:00 NOON

Present:	Constance M. Hiatt	President
	William Breall, M.D.	Commissioner
	Al Casciato	Commissioner
	Joseph D. Driscoll	Commissioner
	Patricia Martel	Commissioner
	Herb Meiberger	Commissioner

Absent:	Member of the Board of Supervisors	Supervisor
---------	------------------------------------	------------

DOCUMENTS DEPT.  
JUN 06 1995  
SAN FRANCISCO  
PUBLIC LIBRARY



## RETIREMENT BOARD

### REGULAR MEETING

#### PUBLIC COMMENT

President Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### INVESTMENT CALENDAR

(Continued from 5/9/95 meeting)

##### 1. STRATEGIC ASSET ALLOCATION

Leslie Kautz of Asset Strategy Consulting and Richard Piket, Acting Chief Investment Officer, presented a written and an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Meiberger to approve the strategic asset allocation as described below; motion passed 6-0.

<u>ASSET CLASS</u>	<u>TARGET</u>	<u>RANGE</u>
Domestic Equities	32	± 8
International Equities	12	± 4
Core Bonds-Domestic	26	± 6
Global Bonds	9	± 4
High Yield	3	± 2
Commercial Mortgages	3	± 2
Real Estate (Equities)	8	± 3
Alternatives	7	± 3

##### 2. REVIEW OF MAYOR'S OFFICE REQUEST FOR RECONSIDERATION OF ECONOMIC ASSUMPTIONS FOR 1995-1996

Catherine Cole, Actuary, Towers Perrin and Kieran Murphy, Staff Actuary, reviewed handouts and made an oral presentation concerning the Mayor's Office request to reconsider the investment rate of return assumption and the wage increase assumption.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

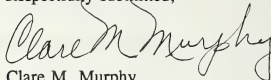
**ACTION:** It was moved by Breall, seconded by Driscoll to amend the economic assumption for wage increases from 5.25% to 5% for fiscal year 1995-1996; motion passed 5-1 (Meiberger).

3. REVIEW OF MAYOR'S OFFICE REQUEST FOR RECONSIDERATION OF 1995-1996 EMPLOYER CONTRIBUTION RATES

**ACTION:** After further discussions, it was moved by Driscoll, seconded by Breall to direct the calculation of employer contribution rates consistent with the changed assumptions; motion passed 6-0.

There being no further business, the Board adjourned its regular meeting at 1:55 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Clare M. Murphy".

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson of Adams Reporting Services.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

JUN 20 1995

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, MAY 30, 1995

10:00 A.M.

Present: William Breall, M.D.

Commissioner

Al Casciato

Commissioner

Joseph D. Driscoll

Commissioner

Patricia Martel

Commissioner

Herb Meiberger

Commissioner

Absent: Constance M. Hiatt

President

Member of the Board of Supervisors

Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of May 9, 1995 and the adjourned and continued meeting of May 15, 1995.

ACTION: Approved.

# MEMORANDUM

TO : Mr. Tolson  
FROM : Mr. [illegible]  
SUBJECT : [illegible]

[illegible text]

[illegible text]

[illegible text]

[illegible text]

[illegible text]

## **RETIREMENT BOARD**

### **REGULAR MEETING**

#### **PUBLIC COMMENT**

Commissioner Breall, presiding in place of President Hiatt, reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### **REGULAR CALENDAR**

1. **REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare M. Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

This is an information item only; no action was taken.

2. **STRATEGIC PLAN MONTHLY PROGRESS REVIEW**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item. Ms. Murphy reminded the Board of the June 15 special meeting to update the strategic plan.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

3. **UNFINISHED BUSINESS LIST**

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Commissioner Driscoll requested that the item relating to legal issues related to SWAP derivative investments be removed from the Unfinished Business List.

**ACTION:** It was moved by Casciato, seconded by Driscoll to adopt the unfinished business list with the deletion of the SWAP derivative investments; motion passed 4-0. (Commissioner Martel was not present for the vote.)

4. **CONFIRMATION OF REVISED EMPLOYER RATES OF CONTRIBUTION FOR 1995-1996**

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Casciato, seconded by Driscoll to approve the revised employer rates of contribution for 1995-96; motion passed 4-0. Rate table is attached. (Commissioner Martel was not present for the vote.)

5. **REQUEST TO FACILITATE CONTACTING DISABLED POLICE AND FIREFIGHTERS**

Clare M. Murphy, General Manager, presented a written report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Casciato, seconded by Driscoll to approve the request to facilitate contacting disabled police and firefighters; motion passed 4-0.

6. **REPORT AND PROPOSED RESOLUTION REGARDING MEMBERSHIP CRITERIA ORDINANCE IMPLEMENTATION**

Maria Newport, Administrator, Retirement Services, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Casciato, seconded by Martel to adopt the proposed resolution regarding membership criteria ordinance implementation; motion passed 5-0.

[Commissioner Martel arrived during this discussion.]



7. **ACTUARIAL CONSULTING CONTRACT FOR 1995-1996**

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Meiberger to contract with Towers Perrin as the consulting actuary for 1995-96; motion passed 5-0.

**PUBLIC REPORT OF ACTION TAKEN IN CLOSED SESSION**

The Retirement Board met in closed session to confer with legal counsel on the following cases pursuant to Government Code §54956.9:

**CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

Arnold Diem Case and the San Francisco Employees' Retirement System,  
AAA 74 127 00380 95

Dan Maguire, Deputy City Attorney, reported that the Retirement Board directed him to pursue whatever legal remedies were necessary to make sure that the hearing officer decision complied with the prior settlement agreement with Mr. Diem.

**CONSENT CALENDAR**

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

1. **VOLUNTARY RETIREMENT BOARD LIST NO. 22-94**

2. **DECISION OF HEARING OFFICER**

- a. Robert C. Boyd  
9163 Transit Operation - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: December 1, 1993

Granted

- b. Gerald F. Doherty  
 Q-60 Police Lieutenant - Police Department  
 Industrial Disability Retirement/Stipulation  
 Effective Date: November 20, 1993  
 Granted
- c. Daniel Eilola  
 8238 Dispatcher - Police Department  
 Ordinary Retirement Disability  
 Effective Date: March 1, 1995  
 Granted
- d. William R. Krutt  
 8238 Police Dispatcher - Police Department  
 Ordinary Retirement Disability  
 Effective Date: November 1, 1994  
 Granted
- e. Louis Mambretti  
 (Diana Mambretti - widow)  
 H-20 Fire Lieutenant - Fire Department  
 Allowance - Death as a Result of Duty  
 Effective Date: March 9, 1995  
 Granted
- f. Felton J. Normand  
 9163 Transit Operator - Public Utilities Commission/MUNI  
 Ordinary Retirement Disability/Stipulation  
 Effective Date: April 8, 1995  
 Granted
- g. Donald Ramsay  
 8204 Institutional Police Officer  
 PERS  
 Granted
- h. Clifton Smith  
 9163 Transit Operator - Public Utilities Commission/MUNI  
 Ordinary Retirement Disability  
 Effective Date: October 1, 1994  
 Granted
- i. Fred Spencer  
 9215 Police Lieutenant - Airport  
 PERS  
 Granted
- j. Diann E. Stevenson  
 1424 Clerk Typist - Purchasing Department  
 Ordinary Retirement Disability/Stipulation  
 Effective Date: October 20, 1994  
 Granted

3. PETITION FOR REHEARING

Richard R. Racine  
Q-60 Police Lieutenant - Police Department  
Industrial Disability Retirement/Stipulation

Denied

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Patricia E. Sayrafi
- b. Donald R. Thors
- c. Helen Villanueva
- d. Shirbie L. Whitman
- e. Walter M. Wilson

5. APPLICATION FOR BIRTHDATE CORRECTION

Beyene Negewo

- 6. REQUEST FOR AUTHORIZATION FOR HERB MEIBERGER, BOARD MEMBER, TO ATTEND THE PENSIONS 2000 CONFERENCE TO BE HELD IN NANTUCKET, MA ON JUNE 5-7, 1995 AND MEET WITH MONEY MANAGERS AND CONSULTANTS TO BE HELD IN BOSTON, MASSACHUSETTS ON JUNE 8-9, 1995
- 7. REQUEST FOR AUTHORIZATION FOR CAROLYN HAMILTON, CHIEF INVESTMENT OFFICER TO ATTEND THE 6TH ANNUAL PENSIONS AND INVESTMENTS CONFERENCE TO BE HELD IN WASHINGTON, D.C. ON JUNE 22-23, 1995
- 8. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEM ON THE RETIREMENT BOARD MEETING OF MAY 15, 1995

- ACTION:**
- 1. It was moved by Driscoll, seconded by Casciato to approve the Consent Calendar except item 3; motion passed 5-0.
  - 2. It was moved by Casciato, seconded by Meiberger to approve item 3; motion passed 5-0.

## **LUNCH BREAK**

### **INVESTMENT CALENDAR**

#### **1. QUARTERLY PERFORMANCE REVIEW BY ASSET STRATEGY CONSULTING**

Larry Davanzo of Asset Strategy Consulting, presented a written and an oral report assessing the performance of the pension trust fund for the quarter ending March 31, 1995.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

[Commissioner Casciato was absent for this item.]

#### **2. EXTERNAL MANAGER PRESENTATIONS: PROVIDENT INVESTMENT COUNSEL, BRINSON PARTNERS, INC. AND MACKAY SHIELDS FINANCIAL CORP.**

Representatives from the above-mentioned firms presented a written and an oral report to the Board on this item.

The Board and staff and consultant reviewed and discussed the material and engaged in a question and answer session with the investment managers.

This is an information item only; no action was taken.

[Commissioner Casciato was absent for this item.]

#### **3. ALTERNATIVE INVESTMENT RECOMMENDATION: APAX INTERNATIONAL V**

Gary Hiatt, Portfolio Manager, and Bob Mast of Cambridge presented a written and oral report to the Board recommending to commit £10 million to Apax International Ventures V, L.P.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to approve staff recommendation to commit up to £10 million to Apax International V, L.P.; motion passed 5-0.

4. **ALTERNATIVE INVESTMENT RECOMMENDATION: WESTON PRESIDIO II**

Brewster Wyckoff, Security Analyst, and Bob Mast of Cambridge presented a written and oral report recommending that \$20 million be invested in Weston Presidio Capital II, L.P.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to approve staff recommendation to invest \$20 million or up to 10%, whichever is highest to Weston Presidio II, L.P.; motion passed 5-0.

5. **ALTERNATIVE INVESTMENT SEMI-ANNUAL REPORT**

Gary Hiatt, Portfolio Manager, and Bob Mast of Cambridge presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff and consultant.

This is an information item only; no action was taken.

6. **ALTERNATIVE INVESTMENT RECOMMENDATION: TO PERMIT MERIT ENERGY PARTNERS VI, L.P. TO EXPAND ITS GEOGRAPHIC AREA FOR INVESTMENTS**

Gary Hiatt, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Casciato to approve staff's recommendation expanding the geographic area in which Merit Energy Partners VI, L.P. to make investments; motion passed 5-0.

## 7. CHIEF INVESTMENT OFFICER'S REPORT

### a. Proxy Votes

There were no proxy votes.

### b. Investment Portfolio: Recent Developments and Updates - Acting Chief Investment Officer Gary Hiatt reported on his attendance at the Core Group Trust meeting including the possibility that 333 Bush property may be candidate for sale in the next two to three years.

### c. Proposed Stock Exchange Transfer Tax: Richard Piket, Portfolio Manager, reviewed the transfer tax proposed by Supervisor Tom Ammiano.

## GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Collective Bargaining Issues Update
2. Construction resulting from New Lease and ADA: The department was striving to function despite the continued construction and Ms. Murphy pointed out the new paint and carpet in the Board room.
3. 1995-96 Budget Update: The Mayor's Office had provided us with a preliminary phase C budget document showing the Mayor's intention to pass the budget as the Retirement Board had requested to the Board of Supervisors for further consideration.
4. Public Records Request: Ms. Murphy reported that the System has received a public records request from the Contra Costa Times and indicated that the staff, after reviewing with the City Attorney, had provided the Contra Costa Times with all the requested materials. Of note is the fact that specific investment transactions with respect to the fixed income portfolio were requested.
5. Update on Charter Reform Proposal: Ms. Murphy alerted the Board to the fact that the Charter Reform Committee of the Board of Supervisors would be hearing a series of proposed amendments to the Charter Reform Proposal on Wednesday and Thursday, May 31 and June 1, respectively. The item of most importance to the Retirement Board and System relates to a proposal to limit the appointed members of the Retirement Board among other City commissioners.

By a motion by Casciato, seconded by Meiberger, the Board authorized the General Manager to oppose a reduction in the term of office from five to two years; motion passed 5-0. The City Attorney requested that the current Charter Reform Proposal be reviewed in light of the City Attorney's opinion concerning Retirement Board's budgetary authority.

### **ACTUARY'S REPORT**

No report was made.

### **CITY ATTORNEY'S REPORT**

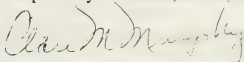
No report was made.

### **BOARD MEMBERS**

No report was made.

There being no further business, the Board adjourned its regular meeting at 3:40 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson of Adams Reporting Services.



MEMORANDUM

June 1, 1995

To: Department Heads

From: Clare M. Murphy  
General Manager*Clare M. Murphy*Subject: REVISED RETIREMENT CONTRIBUTION RATES FOR FISCAL YEAR  
1995-1996DOCUMENTS DEPT.  
JUN 20 1995SAN FRANCISCO  
PUBLIC LIBRARY

The Retirement Board, on May 30, 1995, adopted the following schedule of revised rates of contribution to the Retirement System by the City and County.

CITY AND COUNTY OF SAN FRANCISCO RETIREMENT CONTRIBUTION RATES			
EMPLOYEE TYPE	CHARTER SEC.	CURRENT RATES	REVISED 1995-96
Miscellaneous Employees	8.509; 8.584	5.39%	4.98%
Uniformed Police	8.559; 8.586	19.76%	14.79%
Uniformed Fire Fighters	8.585; 8.588	19.47%	12.44%

The new rates will take effect on July 1, 1995.

There are no changes in the rates of contribution made by the employee.

If you have any questions, please feel free to contact me.

CMM:avi

RAT:LETTES



55  
4  
1/7/95  
MEMORANDUM

DOCUMENTS DEPT.

JUN 20 1995

SAN FRANCISCO  
PUBLIC LIBRARY

June 7, 1995

To: The Retirement Board

From: Clare M. Murphy  
General Manager

Subject: PROSPECTIVE RETIREMENT BOARD MEETING SCHEDULE AND TOPICS

DATE	TIME	TENTATIVE TOPICS
6/27/95	10:00 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Strategic Plan Monthly Progress Review Unfinished Business Report Quarterly Report on Real Estate Performance Real Estate Manager Performance Alternative Asset Presentation Triannual Domestic Equity Report
07/11/95	10:00 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Quarterly Report on Concepts and Status of the Automated Retirement System Three-Year Plan Retirement Board Rules, Resolutions and Policies Chief Investment Officer's Report Request for Proposal External Legal Counsel (Tentative)



DATE	TIME	TENTATIVE TOPICS
07/25/95	10:00 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Strategic Plan Monthly Progress Review Unfinished Business Report Retirement Related Charter Amendments Proposed for November, 1994 Ballot Retirement System Travel Expense Report for the Period Ending June 30, 1994 Chief Investment Officers' Report Investment Plan - Asset Strategy Consulting Draft Request for Proposal Custodian - List of Candidates Alternative Investments - 2 Recommendations
8/08/95	10:00 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Report on the Total Portfolio Performance for the Period Ended June 30, 1995 Review of the Domestic Equity Performance for the Period Ended June 30, 1995 Review of the Domestic Fixed Income Performance for the Period Ended June 30, 1995 Staff Recommendation on Asset allocation for the Quarter Ending July 31, 1995
8/29/95	10:00 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Strategic Plan Monthly Progress Review Unfinished Business Report Reviews/General Manager/Actuary Chief Investment Officers' Report Quarterly Performance Review by Asset Strategy Consulting External Manager Presentations Results of Alternative Investment Consultants Review Post Venture Distribution Management Educational Panel - Update on Recent Rules and Regulations Affecting Public Fund Fiduciaries (Tentative)

No.	Name	Age
1	John Smith	25
2	James Brown	30
3	William Jones	28
4	Robert Taylor	35
5	Thomas White	22
6	Charles Black	32
7	David Green	27
8	Richard Hill	38
9	Henry Lee	24
10	Samuel King	33
11	George Baker	29
12	Edward Clark	31
13	Thomas Evans	26
14	John Foster	34
15	Robert Gibson	23
16	William Hall	36
17	James Harris	21
18	Thomas Martin	37
19	Charles Nelson	25
20	David Phillips	30
21	Richard Scott	28
22	Henry Turner	35
23	Samuel Walker	22
24	George Young	32
25	Edward Adams	27
26	Thomas Baker	38
27	John Clark	24
28	Robert Evans	33
29	William Foster	29
30	James Gibson	31
31	Thomas Hall	26
32	Charles Hill	34
33	David King	23
34	Richard Lee	36
35	Henry Martin	21
36	Samuel Nelson	37
37	George Phillips	25
38	Edward Scott	30
39	Thomas Turner	28
40	John Walker	35
41	Robert Young	22
42	William Adams	32
43	James Baker	27
44	Thomas Clark	38
45	Charles Evans	24
46	David Foster	33
47	Richard Gibson	29
48	Henry Hall	31
49	Samuel Hill	26
50	George King	34
51	Edward Lee	23
52	Thomas Martin	36
53	John Nelson	21
54	Robert Phillips	37
55	William Scott	25
56	James Turner	30
57	Thomas Walker	28
58	Charles Young	35
59	David Adams	22
60	Richard Baker	32
61	Henry Clark	27
62	Samuel Evans	38
63	George Foster	24
64	Edward Gibson	33
65	Thomas Hall	29
66	John Hill	31
67	Robert King	26
68	William Lee	34
69	James Martin	23
70	Thomas Nelson	36
71	Charles Phillips	21
72	David Scott	37
73	Richard Turner	25
74	Henry Walker	30
75	Samuel Young	28
76	George Adams	35
77	Edward Baker	22
78	Thomas Clark	32
79	John Evans	27
80	Robert Foster	38
81	William Gibson	24
82	James Hall	33
83	Thomas Hill	29
84	Charles King	31
85	David Lee	26
86	Richard Martin	34
87	Henry Nelson	23
88	Samuel Phillips	36
89	George Scott	21
90	Edward Turner	37
91	Thomas Walker	25
92	John Young	30
93	Robert Adams	28
94	William Baker	35
95	James Clark	22
96	Thomas Evans	32
97	Charles Foster	27
98	David Gibson	38
99	Richard Hall	24
100	Henry Hill	33

DATE	TIME	TENTATIVE TOPICS
9/12/95	10:00 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Chief Investment Officers' Report Quarterly Report on Global Fixed Income for the Period Ended June 30, 1995 Quarterly Report on International Equity Managers for the Period Ended June 30, 1995 Actuarial Services Request for Proposal
9/26/95	10:00 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Strategic Plan Monthly Progress Review Unfinished Business Report Hartford Deferred Compensation Annual Report Chief Investment Officers' Report Quarterly Report on Real Estate Performance for the Period Ended March 31, 1995 Real Estate Manager Performance Educational Panel - Derivatives Driven Investment Strategies - (Tentative)

C:\WPFILE\BOARD\SCHEDULE\FORWARD





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

JUL 11 1995

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, JUNE 13, 1995

10:00 A.M.

Present:	Constance M. Hiatt	President
	William Breall, M.D.	Commissioner
	Al Casciato	Commissioner
	Joseph D. Driscoll	Commissioner
	Patricia Martel	Commissioner
	Herb Meiberger	Commissioner

Absent:	Member of the Board of Supervisors	Supervisor
---------	------------------------------------	------------

Clare M. Murphy	General Manager Retirement System
-----------------	--------------------------------------

MINUTES: Minutes of the Regular Meeting of May 30, 1995.

ACTION: Approved as amended.

# ATTENTION

TO ALL

WHO

ARE INTERESTED IN THE  
FUTURE OF THE  
NATION

AND THE  
WELFARE OF THE  
PEOPLE

PLEASE  
CONTACT  
THE  
AUTHOR



## RETIREMENT BOARD

### REGULAR MEETING

#### PUBLIC COMMENT

President Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### SPECIAL ORDER

Election of Officer: Vice President

In accordance with Board Rule One, Section 1.03, the Board conducted the election of officers for the ensuing term of office.

For Vice President: The Board, after discussion, tabled the selection of Vice-President to a future meeting date after the June 15 Strategic Planning Meeting.

#### REGULAR CALENDAR

##### 1. REVIEW OF SHARED VALUES AND BEHAVIORS

Clare M. Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

This is an information item only; no action was taken.

[Commissioner Martel arrived at this time.]

##### 2. REQUEST TO PETITION FOR REHEARING - COLLEEN CARLSON

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. The Board directed the General Manager to send second notice letters to the Police Chief and the Commission Secretary to request clarification of the Police Department Light Duty Policy.

**ACTION:** It was moved by Casciato, seconded by Breall to direct City Attorney to request to petition for rehearing for Colleen Carlson; motion passed 6-0.

3. UPDATE ON BUDGET PROCESS

Clare M. Murphy, General Manager, reviewed memo with Retirement Board and discussed preliminary Board of Supervisors' Budget Analyst recommendations to Budget Committee. The Board created a committee of President Hiatt and Commissioner Martel to assist staff in developing the budget process. Additional discussion concerning the budget process and the Retirement Board's responsibility in light of the City Attorney's opinion ensued. Ms. Murphy took this opportunity to recognize the outstanding service of Robert Parmelee, Chief Accountant who will be leaving SFERS on July 1, 1995.

This is an information item only; no action was taken.

4. RETIREE SURVEY: IMPROVE BENEFIT ADMINISTRATION

Maria Newport, Administrator, Retirement Services, presented a review of the Retiree Survey prepared by staff and reviewed and approved by the Benefit Administration Committee.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Martel to accept the Retiree Survey as prepared; motion passed 6-0.

5. REQUEST TO DECLARE A VACANCY ON THE RETIREMENT BOARD EFFECTIVE FEBRUARY 20, 1996

Clare M. Murphy, General Manager, reviewed with the Board the schedule and need for the Board to declare a vacancy to initiate the election process.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Commissioner Casciato expressed concern with Registrar's handling of 1995 election and requested revision of the ordinance to allow an alternative to the Registrar. President Hiatt requested Dan Maguire, Deputy City Attorney, to review the ordinance and report to the Board at the June 27, 1995 meeting.

**ACTION:** It was moved by Breall, seconded by Meiberger to declare a vacancy on the Retirement Board effective February 20, 1996; motion passed 6-0. After the vote, Commissioner Driscoll noted that he will request to abstain from all future items regarding the election.

6. REQUEST TO CHANGE METHODOLOGY FOR CALCULATING AVERAGE FINAL COMPENSATION FOR RETIREMENT EFFECTIVE JULY 1, 1995 OR LATER

Kieran Murphy, Actuary, and Maria Newport, Administrator, Retirement Services, reviewed the recommended change with the Retirement Board.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. President Hiatt requested review of related Internal Revenue Code provisions. Dan Maguire, Deputy City Attorney, will review the indicated Internal Revenue Code sections.

**ACTION:** It was moved by Casciato, seconded by Breall to approve staff's recommendation to change methodology for calculating average final compensation for retirement effective July 1, 1995; motion passed 6-0.

### CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

1. VOLUNTARY RETIREMENT BOARD LIST NO. 23-94

2. DECISION OF HEARING OFFICER

- a. Paul M. Anderson, Jr.  
2320 Registered Nurse - Public Health/San Francisco General Hospital  
Ordinary Retirement Disability  
Effective Date: June 1, 1995 Granted
- b. Randal G. Atkins  
H-2 Firefighter - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective Date: March 25, 1995 Granted
- c. Thomas E. Roop  
7381 Auto Mechanic - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: June 1, 1994 Granted

- d. Jerome Woods  
7215 General Laborer Supervisor - Public Works  
Ordinary Retirement Disability\Stipulation  
Effective Date: July 1, 1995 Granted
3. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
- a. Treba R. Allen
- b. Harold S. Bell
- c. Eugenia Burfict
- d. Richard A. Fonseca
- e. Armando Jovel
- f. Felix Marin
4. APPLICATION FOR BIRTHDATE CORRECTION
- Katherine Chen
5. REQUEST FOR AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO CONDUCT DUE DILIGENCE WITH T.H. LEE EQUITY PARTNERS II AND SUMMIT PARTNERS IV TO BE HELD IN BOSTON, MA WITH A DATE TO BE DETERMINED
- ACTION:** It was moved by Casciato, seconded by Martel to approve the Consent Calendar items; motion passed 6-0.

## INVESTMENT CALENDAR

1. QUARTERLY REPORT ON GLOBAL FIXED INCOME FOR THE PERIOD ENDING MARCH 31, 1995
- Carolyn Hamilton, Chief Investment Officer, and Richard Pickett, Portfolio Manager, presented a written and an oral report to the Board on this item.
- The Board reviewed and discussed the material and engaged in a question and answer session with staff.
- This is an information item only; no action was taken.

2. **QUARTERLY REPORT ON INTERNATIONAL EQUITY MANAGERS FOR THE PERIOD ENDING MARCH 31, 1995**

Carolyn Hamilton, Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and an oral report to the Board on this item.

The Board and staff reviewed and discussed the material and engaged in a question and answer session.

This is an information item only; no action was taken.

3. **CHIEF INVESTMENT OFFICER'S REPORT**

a. **Proxy Votes**

There were no proxy votes.

b. Carolyn Hamilton, Chief Investment Officer, reported that the legal documents for the three most recently approved limited partnerships (SCF Partners, Weston Presidio and Clayton, Dubilier and Rice) are currently undergoing examination and negotiation by the staff of the Investment Division and the City Attorney's office.

c. Schroder Mortgage Associates has recently bid for three commercial mortgages valued at a combined \$29 million. They are for convenience shopping centers in three separate states and are being purchased from the Commonwealth of Pennsylvania Employees' Retirement System.

**GENERAL MANAGER'S REPORT**

Clare M. Murphy, General Manager, reported on and reviewed the following items:

1. Update on Construction at 1155 Market
2. Update on Educational Opportunities
3. Update on Charter Reform Proposal
4. Prospective Retirement Board Meeting Schedule and Topics
5. Mayor's Fiscal Advisory Committee meeting on June 22, 1995
6. Mayor's request concerning PERS coverage

7. Information response from Senator Feinstein
8. Retirement Board Binder Update Materials
9. The Board of Supervisors is delayed in enacting membership criteria ordinance due to insufficient members in attendance at June 12, 1995 meeting.
10. AMB invitation
11. Reminded the Board of the Strategic Planning Session on June 15, 1995 at 8:00 a.m., KPMG Peat Marwick.
12. EISPC approved SFERS three-year plan.

### **ACTUARY'S REPORT**

No report was made.

### **CITY ATTORNEY'S REPORT**

No report was made.

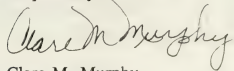
### **BOARD MEMBERS**

Commissioner Meiberger discussed the following items:

- Reviewed correspondence with MacKay Shields
- Reported on Pensions 2000 Conference noting ethics panel, fiduciary insurance discussions and presentation on property markets.
- Reported on his visits with investment managers and consultants including Aldrich Eastman Waltch; Oeschle International Advisors; Scudder, Stevens and Clark; Cambridge Associates consultants.
- Requested calendaring of underperformance of U.S. Equity portfolio managers and recommendation for indexation for action at June 27 meeting. The Board and staff discussed scheduling of this matter with Commissioner Meiberger.

There being no further business, the Board  
adjourned its regular meeting at 1:05 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Clare M. Murphy".

Clare M. Murphy  
General Manager

**Note:** A transcript was made of the regular meeting by Jewel Michaelson of Adams Reporting Services.







# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DOCUMENT NO. 1

JUL 11 1995

SAN FRANCISCO  
PUBLIC LIBRARY

THURSDAY, JUNE 15, 1995

8:30 A.M.

Present:	Constance M. Hiatt	President
	William Breall, M.D.	Commissioner
	Al Casciato	Commissioner
	Joseph D. Driscoll	Commissioner
	Patricia Martel	Commissioner
	Herb Meiberger	Commissioner
Absent:	Member of the Board of Supervisors	Supervisor

Clare M. Murphy	General Manager Retirement System
-----------------	--------------------------------------

NOTE: CHANGE OF VENUE: KPMG PEAT MARWICK TRAINING CENTER  
3 EMBARCADERO CENTER, 19TH FLOOR  
SAN FRANCISCO, CA

# UNIT 1

Unit 1: Introduction to the course and the importance of learning English.

Unit 2: The history of English and its influence on other languages.

Unit 3: The structure of English grammar and the importance of understanding the rules.

Unit 4: The role of vocabulary in learning English and how to expand it.

Unit 5: The importance of listening and speaking skills in language learning.

Unit 6: The role of reading and writing in language learning and how to improve them.

Unit 7: The importance of grammar and how to use it correctly.

Unit 8: The role of pronunciation in language learning and how to improve it.

RETIREMENT BOARD

SPECIAL MEETING

DOCUMENTS DEPT.

JUL 11 1995

SAN FRANCISCO  
PUBLIC LIBRARY

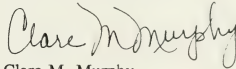
1. FACILITATED BOARD/STAFF STRATEGIC PLANNING SESSION

Marilyn Snider, Facilitator, and Michelle Snider, Recorder, conducted a facilitated Board/staff strategic planning meeting.

The Board and staff reviewed the mission statement and revised the goals and objectives included in the strategic plan. Revised copies of the strategic plan will be presented to the Board for adoption at the June 27, 1995 Retirement Board meeting.

There being no further business, the Board  
adjourned its special meeting at 2:45 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

JUL 19 1995

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, JUNE 27, 1995

10:00 A.M.

Present:	Constance M. Hiatt	President
	William Breall, M.D.	Commissioner
	Al Casciato	Commissioner
	Joseph D. Driscoll	Commissioner
	Patricia Martel	Commissioner
	Herb Meiberger	Commissioner

Absent:	Member of the Board of Supervisors	Supervisor
---------	------------------------------------	------------

Clare M. Murphy	General Manager Retirement System
-----------------	--------------------------------------

MINUTES: Minutes of the Regular Meeting of June 13, 1995 and the Special Meeting of June 15, 1995.

ACTION: Approved as submitted.

# REPORT

100

1. Name of the person or organization to whom the report is made		2. Name of the person or organization making the report	
3. Title of the report		4. Date of the report	
5. Summary of the report		6. Details of the report	
7. Conclusion of the report		8. Signature of the person making the report	
9. Name of the person receiving the report		10. Date of the report	
11. Title of the report		12. Date of the report	
13. Summary of the report		14. Details of the report	
15. Conclusion of the report		16. Signature of the person making the report	
17. Name of the person receiving the report		18. Date of the report	
19. Title of the report		20. Date of the report	
21. Summary of the report		22. Details of the report	
23. Conclusion of the report		24. Signature of the person making the report	
25. Name of the person receiving the report		26. Date of the report	
27. Title of the report		28. Date of the report	
29. Summary of the report		30. Details of the report	
31. Conclusion of the report		32. Signature of the person making the report	
33. Name of the person receiving the report		34. Date of the report	
35. Title of the report		36. Date of the report	
37. Summary of the report		38. Details of the report	
39. Conclusion of the report		40. Signature of the person making the report	
41. Name of the person receiving the report		42. Date of the report	
43. Title of the report		44. Date of the report	
45. Summary of the report		46. Details of the report	
47. Conclusion of the report		48. Signature of the person making the report	
49. Name of the person receiving the report		50. Date of the report	
51. Title of the report		52. Date of the report	
53. Summary of the report		54. Details of the report	
55. Conclusion of the report		56. Signature of the person making the report	
57. Name of the person receiving the report		58. Date of the report	
59. Title of the report		60. Date of the report	
61. Summary of the report		62. Details of the report	
63. Conclusion of the report		64. Signature of the person making the report	
65. Name of the person receiving the report		66. Date of the report	
67. Title of the report		68. Date of the report	
69. Summary of the report		70. Details of the report	
71. Conclusion of the report		72. Signature of the person making the report	
73. Name of the person receiving the report		74. Date of the report	
75. Title of the report		76. Date of the report	
77. Summary of the report		78. Details of the report	
79. Conclusion of the report		80. Signature of the person making the report	
81. Name of the person receiving the report		82. Date of the report	
83. Title of the report		84. Date of the report	
85. Summary of the report		86. Details of the report	
87. Conclusion of the report		88. Signature of the person making the report	
89. Name of the person receiving the report		90. Date of the report	
91. Title of the report		92. Date of the report	
93. Summary of the report		94. Details of the report	
95. Conclusion of the report		96. Signature of the person making the report	
97. Name of the person receiving the report		98. Date of the report	
99. Title of the report		100. Date of the report	

## RETIREMENT BOARD

### REGULAR MEETING

#### PUBLIC COMMENT

Commissioner Breall, presiding in place of President Hiatt, reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### REGULAR CALENDAR

1. REVIEW OF SHARED VALUES AND BEHAVIORS

Kay Gulbengay, Executive Assistant, reviewed the list of Shared Values and Behaviors with the Board.

This is an information item only; no action was taken.

2. STRATEGIC PLAN: RECORD OF JUNE 15 PLANNING SESSION

Kay Gulbengay, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Casciato, seconded by Driscoll to adopt the record of the June 15, 1995 strategic planning session; motion passed 4-0. (President Hiatt and Commissioner Martel were not present for the vote.)

3. STRATEGIC PLAN MONTHLY PROGRESS REVIEW

Kay Gulbengay, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Casciato, seconded by Driscoll to adopt the strategic plan; motion passed 5-0. (Commissioner Martel was not present for the vote.)

[President Hiatt arrived during the discussion of this item.]

#### 4. UNFINISHED BUSINESS LIST

Kay Gulbengay, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Casciato to add the following items to the unfinished business list:

- a) Letter to Supervisor Shelley re: deferred compensation (457 plan), participant fees for tracking purposes (Retirement Board/Administration);
- b) Request for Cost Study of Fiduciary Insurance for Board Members (Administration/City Attorney); and
- c) Independent Study of Efficacy of Growth and Value Indexation - Consideration of Alternatives; motion passed 6-0.

[Commissioner Martel arrived during the discussion of this item.]

### SPECIAL ORDER

Election of Officer: Vice President

In accordance with Board Rule One, Section 1.03, the Board conducted the election of officers for the ensuing term of office.

Two nominations occurred with Commissioner Martel nominating Commissioner Driscoll, seconded by President Hiatt; and Commissioner Breall nominating Commissioner Meiberger, seconded by Commissioner Meiberger.

After the nominations, discussions took place that led to Commissioner Driscoll's request to have his name withdrawn from the nomination; then Commissioner Martel withdrew her motion to nominate Commissioner Driscoll.

For Vice President: The Board, after discussions, elected Commissioner Herb Meiberger for Vice President. Commissioner Meiberger was elected Vice President for the period to March 12, 1996.



## CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

### 1. VOLUNTARY RETIREMENT BOARD LIST NO. 24-94

### 2. DECISION OF HEARING OFFICER

- |    |   |         |
|----|---|---------|
| a. | Donald A. Cacci<br>8204 Institutional Police Officer - Community College District<br>PERS   | Granted |
| b. | Isaac Henry<br>(Shirley Ann - widow)<br>Q-50 Police Sergeant - Police Department<br>Allowance - Death as a Result of Duty<br>Effective Date: June 30, 1994            | Granted |
| c. | Duchess Jones<br>1404 Clerk - Social Services Department<br>Ordinary Retirement Disability  | Denied  |
| d. | Henrietta Mack<br>9163 Transit Operator - Public Utilities Commission/MUNI<br>Ordinary Retirement Disability<br>Effective Date: October 1, 1994                       | Granted |
| e. | Carse McDaniel<br>3632 Librarian II - Public Library<br>Ordinary Retirement Disability/Stipulation<br>Effective Date: May 20, 1995                                    | Granted |
| f. | Howard Ross<br>7347 Plumber - Community College District<br>Ordinary Retirement Disability<br>Effective Date: May 1, 1995   | Granted |
| g. | Lucille Todd<br>2302 Certified Nurse Assistant - Public Health/Laguna Honda Hospital<br>Ordinary Retirement Disability/Stipulation<br>Effective Date: October 1, 1994 | Granted |

3. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Maryam Fazelian
- b. Noah L. King

**ACTION:** Commissioner Breall requested Dan Maguire, Deputy City Attorney, to review the process and procedures of disability retirements of HIV related cases. Commissioner Breall asked whether or not a more confidential manner in the reporting of these matters in order to assure privacy for individuals. Dan Maguire will review and report back to the Board. After discussion, it was moved by Breall, seconded by Casciato to approve the Consent Calendar items; motion passed 6-0.

[The Investment Calendar items were heard out of sequence.]

### INVESTMENT CALENDAR

3. RECOMMENDATION FROM COMMISSIONER HERB MEIBERGER TO TERMINATE HANSON INVESTMENT MANAGEMENT COMPANY, PROVIDENT INVESTMENT COUNSEL, INTERNAL YIELD PORTFOLIO AND MACKAY SHIELDS FINANCIAL CORPORATION

Commissioner Herb Meiberger presented a written and an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** The following motions were made:

- a. It was moved by Meiberger, seconded by Breall to terminate Hanson Investment Management Company, Provident Investment Counsel, Internal Yield Portfolio and MacKay Shields Financial Corporation; motion failed 4-2 (Breall, Meiberger).
- b. It was moved by Meiberger, seconded by Breall to terminate MacKay Shields Financial Corporation; motion passed 6-0.
- c. It was moved by Meiberger, seconded by Breall to terminate Hanson Investment Management Company; motion passed 6-0.

d. It was moved by Driscoll, seconded by Casciato to terminate In-House Active Manager Portfolio from current mandate of a yield style; motion passed 6-0.

4. **RECOMMENDATION FROM COMMISSIONER HERB MEIBERGER TO INVEST ASSETS OF TERMINATED MANAGERS IN S & P 500 FUTURES AND CASH**

Commissioner Herb Meiberger presented a written and an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Breall to allocate \$75 million to Ark Asset Management Co., Inc., \$25 million to Dietche & Field Advisers, Inc., and the balance of the money freed up to be invested by staff on an interim basis provided that S&P 500 Futures may be used; motion passed 6-0.

2. **REAL ESTATE MANAGER PRESENTATION: AMB INSTITUTIONAL REALTY CORPORATION**

Barbara J. Linn, Lindsey Schubel and Hamid R. Moghadam of AMB Institutional Realty presented a written and an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

[Commissioner Driscoll left the meeting during this item.]

1. **QUARTERLY REPORT ON REAL ESTATE PERFORMANCE**

Carolyn Hamilton, Chief Investment Officer, and Gary Hiatt, Portfolio Manager, Frank Blaschka of the Townsend Group presented a written and an oral report to the Board on this item.

The Board and staff reviewed and discussed the material and engaged in a question and answer session.

This is an information item only; no action was taken.

## 5. CHIEF INVESTMENT OFFICER'S REPORT

### a. Proxy Votes

There were no proxy votes.

### b. Carolyn Hamilton, Chief Investment Officer, reported that Leslie Kautz of Asset Strategy Consulting will be taking her 3-month maternity leave as of June 28, 1995, and we all wish her well.

### c. Schroder Mortgage Associates have purchased two commercial mortgages for the Retirement Fund: Boston Commons and Hanover Crossing. Both are neighborhood shopping centers and are from the Pennsylvania Employees' Retirement System which is diversifying into international equities and cutting back on their mortgage holdings. Schroder declined to purchase a mortgage on a third property because of unfavorable lease arrangements.

AEW has also purchased a mortgage for the San Francisco Account on an office building at 29 Wacker Drive in Chicago. The purchase price was \$7.6 million.

### d. Gary Hiatt, Portfolio Manager, and Brewster Wyckoff, Security Analyst, have sent RFIs to eight consulting organizations (including Cambridge). The firms were Abbott, Bigler-Crossroads, Brinson, Cambridge Partners, Rogers-Casey, Cattanach, Hamilton-Lane, and Pacific Corporate Group. Gary and Brewster will review and compare the replies and report to the Board in August.

## GENERAL MANAGER'S REPORT

Kay Gulbengay, Acting General Manager, reported on and reviewed the following items:

1. Reported that the last phase of construction at 1155 Market Street was taking place.
2. 1995-96 Budget Update: Clare Murphy, General Manager, and Les Win, Chief Accountant, attended the Board of Supervisors Budget Committee hearings on June 20, 1995 and presented to the committee members the 1995-96 SFERS budget. Various recommendations were made and Commissioner Driscoll will represent the System at the Budget Committee today.
3. Update on Membership Criteria Ordinance: This will be heard today at the Government Efficiency Committee of the Board of Supervisors with the request for a continuance to July 11, 1995.

4. Clare Murphy, General Manager, and Kieran Murphy, Actuary, met with Jack F. Jenkins-Stark and Gary A. Wollin of the Mayor's Fiscal Advisory Committee and discussed various items relating to custodial searches and the decision making process on June 22, 1995.

### **ACTUARY'S REPORT**

Kieran Murphy, Actuary, reported that he has been working with the Mayor's Office regarding the various collective bargaining issues.

### **CITY ATTORNEY'S REPORT**

Dan Maguire, Deputy City Attorney, presented to the Board members a draft ordinance on Retirement Board election relating to an alternative to the Registrar of Voters. He reported that the General Manager has suggested that a meeting be held with the staff and Registrar to review the draft ordinance. Mr. Maguire urged the Board to consider the cost in the proposed amendment.

### **BOARD MEMBERS**

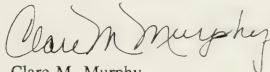
Commissioner Casciato requested that staff review the possibility of a notebook computer to be used rather than the Board member's packet. Jean Thomas raised the concern regarding the public packet and how this would affect the public notice.

Commissioner Meiberger thanked Kay Gulbengay for her hard work and efforts relating to the construction.

Commissioner Breall reported that he had met with the Mayor and discussed Proposition 162. He also stated that the Mayor was grateful to the Retirement Board to help balance the budget. Also, Commissioner Breall reported that the Mayor had informed him that he was going to be reappointed.

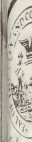
There being no further business, the Board adjourned its regular meeting at 2:15 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Christine Donahue of Adams Reporting Services.



1911  
3  
11/11



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

AUG 1 1995

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, JULY 11, 1995

10:00 A.M.

Present:	Constance M. Hiatt	President
	Herb Meiberger	Vice President
	William Breall, M.D.	Commissioner
	Al Casciato	Commissioner
	Joseph D. Driscoll	Commissioner
Absent:	Member of the Board of Supervisors	Supervisor
	Patricia Martel	Commissioner
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of June 27, 1995.

ACTION: Approved as submitted.

# REPORT

The following table shows the results of the experiment conducted on the 15th of May, 1900. The data was collected from the various sources mentioned in the introduction and is presented in a clear and concise manner for the reader's benefit.

Source	Value	Unit
Source A	12.5	gms
Source B	8.7	gms
Source C	15.2	gms
Source D	9.1	gms
Source E	11.3	gms
Source F	7.8	gms
Source G	13.6	gms
Source H	10.4	gms
Source I	14.9	gms
Source J	6.5	gms
Source K	12.1	gms
Source L	9.3	gms
Source M	11.7	gms
Source N	8.9	gms
Source O	13.4	gms
Source P	10.6	gms
Source Q	14.2	gms
Source R	7.6	gms
Source S	12.8	gms
Source T	9.5	gms
Source U	11.9	gms
Source V	8.2	gms
Source W	13.8	gms
Source X	10.1	gms
Source Y	14.5	gms
Source Z	6.9	gms

The above table provides a comprehensive overview of the experimental data. Each source is listed with its corresponding value and unit, allowing for easy comparison and analysis. The data is presented in a clear and concise manner, ensuring that the reader can quickly grasp the results of the experiment.



## **RETIREMENT BOARD**

### **REGULAR MEETING**

#### **PUBLIC COMMENT**

President Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### **REGULAR CALENDAR**

##### **1. REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

This is an information item only; no action was taken.

##### **2. REQUEST FOR PROPOSAL EXTERNAL LEGAL COUNSEL**

Clare Murphy, General Manager, presented a draft request for proposal for external legal counsel. Ms. Murphy outlined to the Board that this RFP will provide a list of outside legal counsel for the Retirement Board and staff in specialized areas and reviewed a forward schedule with the Board.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Ms. Murphy requested that the Board members provide her with names of law firms in order to insure that these firms receive RFPs.

This is an information item only; no action was taken.

#### **CONSENT CALENDAR**

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

##### **1. VOLUNTARY RETIREMENT BOARD LIST NO. 1-95**

2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE: Rosemary Bacci
3. DECISION OF HEARING OFFICER
  - a. Arnold Diem  
H-2 Firefighter - Fire Department  
Ordinary Retirement Disability  
Effective Date: December 1, 1994  
Granted
  - b. Robert E. Rames  
0380 Inspector - Police Department  
Industrial Disability Retirement/Stipulation  
Effective Date: January 17, 1995  
Granted
  - c. Hadie Redd  
8147 Senior Investigator - District Attorney  
PERS  
Denied
4. PETITION FOR REHEARING  
  
Grant H. Fahs  
Q-60 Police Lieutenant - Police Department  
Industrial Disability Retirement/Stipulation  
Denied
5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
  - a. Francisco J. Aguilar
  - b. Curtis J. Cashen
6. REQUEST FOR AUTHORIZATION FOR JOSEPH DRISCOLL, BOARD MEMBER, TO ATTEND THE FIRE AND POLICE PENSION FUNDS FORUM TO BE HELD IN HILTON HEAD, SOUTH CAROLINA ON SEPTEMBER 17-20, 1995

**ACTION:** It was moved by Breall, seconded by Casciato to approve the Consent Calendar items; motion passed 5-0.

## INVESTMENT CALENDAR

1. CHIEF INVESTMENT OFFICER'S REPORT
  - a. Proxy Votes  
  
There were no proxy votes.

- b. Carolyn Hamilton, Chief Investment Officer, reported that the contract for the Customized Short Term Investment Fund (CSTIF) was signed by the Retirement System and sent to Banker's Trust.
- c. Ms. Hamilton reported that the Weston Presidio Capital II fund has closed and the Retirement System received \$20 million out of the \$225 million raised. The fund was oversubscribed.
- d. Schroder Mortgage Associates will purchase \$33 million worth of commercial mortgages on behalf of the Retirement System.
- e. Ms. Hamilton reported on the distribution of the reallocation of the Mackay-Shields, Hanson and Internal Yield portfolios.
- f. Ms. Hamilton updated the Board on the preliminary fiscal year-end performance for U.S. stocks and bonds.

## GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reported on and reviewed the following items:

- 1. Ms. Murphy reported that the construction at 1155 Market Street was nearing completion. On July 24, 1995, there will be a "punch list" walk through to point out remaining problems to the contractors.
- 2. 1995-96 Budget Update: Ms. Murphy reported that Commissioner Driscoll and Les Win, Chief Accountant, represented the SFERS at the June 27 Board of Supervisors Budget Committee hearings. The Board of Supervisors have restored the Security Analyst position funds as of April 1, 1996 and the \$11,000 funds for consulting support. Commissioner Driscoll further updated the Board on his presentation to the Budget Committee of the Board of Supervisors regarding the 1995-96 budget items.
- 3. Update on Membership Criteria Ordinance: This ordinance will be heard today, July 11, 1995 at the Government Efficiency and Labor Committee of the Board of Supervisors.
- 4. Ms. Murphy provided the Board with an update of the educational opportunities.
- 5. Ms. Murphy reported that ITT Hartford will be adjusting the current credited rate on the General Account but this will not effect rates being credited to the San Francisco plan participants. Staff agreed to contact ITT Hartford to ensure that the communication sent to the participants regarding rates be made clear and understandable and consistent with the Retirement Board's Policy on administrative fees.

6. The payment required by the Memorandum of Understanding between Local 21 and City and County of San Francisco regarding the 457 credit will be made on July 31, 1995 with notification to participants by August 1, 1995.
7. Ms. Murphy updated the Board on the PeopleSoft contract.
8. Ms. Murphy reported on the IFE Market Makers and CALAPRS Administrators Roundtable conferences she attended.
9. Ms. Murphy informed the Board of the upcoming CALAPRS tax seminar in March, 1996.

### **ACTUARY'S REPORT**

No report was made.

### **CITY ATTORNEY'S REPORT**

No report was made.

### **BOARD MEMBERS**

1. Commissioner Al Casciato reported that President Hiatt had requested that he serve on the Communication Committee.
2. Commissioner Al Casciato reported to the Board that he was a member of the Chamber of Commerce by virtue of a small business affiliation. He recommended that the System participate in the Chamber of Commerce meetings to improve their understanding and knowledge of the system.

Clare Murphy, General Manager, agreed to contact Sue Lee, Government Liaison for the Chamber and discuss the possibility of the SFERS participating in the Chambers meetings.

3. President Hiatt reported on her attendance at the National Association of Public Pension Attorneys.

## CLOSED SESSION

Pursuant to the Ralph M. Brown Act, Government Code Section 54950 et. seq., and the Sunshine Act, San Francisco Administrative Code Section 67.10, the Retirement Board met in closed session.

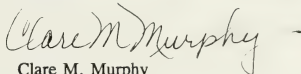
### CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Subdivision (a) of Government Code Section 54956.9)

Application of Judith Hardiman vs. San Francisco Retirement Board,  
AAA No. 74 127 01660 94

David Benjamin, Deputy City Attorney, updated the Board members on the existing litigation relating to the application for disability retirement of Judith Hardiman.

There being no further business, the Board  
adjourned its regular meeting at 11:25 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Clare M. Murphy". The signature is written in dark ink and is positioned above the printed name and title.

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson of Adams Reporting Services.



51  
183  
185



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

AUG 14 1995

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, JULY 25, 1995

10:00 A.M.

Present: Constance M. Hiatt

President

Herb Meiberger

Vice President

William Breall, M.D.

Commissioner

Al Casciato

Commissioner

Joseph D. Driscoll

Commissioner

Patricia Martel

Commissioner

Absent: Member of the Board of Supervisors

Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of July 11, 1995.

ACTION: Approved as submitted.





## **RETIREMENT BOARD**

### **REGULAR MEETING**

#### **PUBLIC COMMENT**

President Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### **REGULAR CALENDAR**

##### **1. REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

Senior Staff will hold a meeting on August 1, 1995 to propose revisions and recommend modifications to shared values and behavior.

This is an information item only; no action was taken.

##### **2. STRATEGIC PLAN MONTHLY PROGRESS REVIEW**

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. President Hiatt appointed Commissioner Driscoll on the Committee of Delegation of Investment Decisions and Board/Staff Committee for Investment Brainstorming Sessions; Commissioners Meiberger and Breall were appointed to the Tracking Committee. Commissioner Driscoll inquired as to whether the employees had received a copy of the Strategic Plan. Ms. Murphy reported that the Senior Staff had been instructed to share the Strategic Plan with all staff.

This is an information item only; no action was taken.

##### **3. UNFINISHED BUSINESS LIST**

Kay Gulbengay, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Casciato to add the following items to the unfinished business list:

- a) Request City Attorney to develop a policy relating to fiduciary education and travel.
- b) Request ITT Hartford to review the limitation, legislation and other documents relating to feasibility of revising the "3-year Catch Up Provision" and update of lifting the cap of \$7,500 through Federal legislation; motion passed 5-0 (Commissioner Martel was not present for the vote.)

#### 4. RETIREMENT BOARD RULES, RESOLUTIONS AND POLICIES

Kay Gulbengay, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to approve the deletion of Resolution No. 42 and Resolution Nos. 48 and 52 are to be removed and archived; motion passed 5-0 (Commissioner Martel was not present for the vote.)

#### 5. RETIREMENT RELATED CHARTER AMENDMENTS PROPOSED FOR NOVEMBER, 1995 BALLOT

Kieran Murphy, Actuary, presented a written and oral report to the Board that the proposed Charter Reform did not have a major impact on the San Francisco Employees' Retirement System.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Commissioner Driscoll suggested that when the matter was finally passed by the Board of Supervisors, an explanation of sections relating to SFERS be made available to SFERS beneficiaries.

This is an information item only; no action was taken.

[Commissioner Martel arrived during the discussion of this item.]

6. RETIREMENT SYSTEM TRAVEL EXPENSE REPORT FOR THE PERIOD ENDING JUNE 30, 1995

Kay Gulbengay, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

## CLOSED SESSION

Pursuant to the Ralph M. Brown Act, Government Code Section 54950 et. seq., and the Sunshine Act, San Francisco Administrative Code Section 67.10, the Retirement Board met in closed session.

### CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Subdivision (a) of Government Code Section 54956.9)

Application of Judith Hardiman vs. San Francisco Retirement Board,  
AAA No. 74 127 01660 94

David Benjamin, Deputy City Attorney, advised the Board of the legal proceedings of the case on the application of Judith Hardiman for disability retirement. The Board received the decision of the hearing officer dated June 19, 1995 denying the Retirement Board's request for rehearing.

It was moved by Breall, seconded by Driscoll to make available to the public the Hearing Officer's decision of the Judith Hardiman case; motion passed 6-0.

## CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

1. VOLUNTARY RETIREMENT BOARD LIST NO. 2-95
2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE

Gertrude E. Mutya

3. DECISION OF HEARING OFFICER

- a. Roger T. Bross  
H-2 Firefighter - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective Date: January 17, 1995 Granted
- b. Patricia A. Welsh  
Teacher - San Francisco Unified School District  
Ordinary Retirement Disability/Stipulation  
Effective Date: June 18, 1994 Granted

4. PETITION FOR REHEARING

Colleen Carlson  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement  
Effective Date: March 1, 1995 Granted

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Paul A. Deschler
- b. Lillie M. Devaughn
- c. William M. Garcia
- d. Larita Jackson
- e. Rolf Knauff
- f. Jay C. Larson
- g. Jessie McKneely
- h. Mattie O. Moore
- i. Michael A. Rash
- j. Angeles C. Vanegas

6. REQUEST FOR AUTHORIZATION FOR BREWSTER WYCKOFF, SECURITY ANALYST, TO ATTEND THE INSTITUTE FOR FIDUCIARY EDUCATION REAL ESTATE FOR PENSION PROFESSIONALS SEMINAR TO BE HELD IN TELLURIDE, COLORADO ON SEPTEMBER 10-13, 1995
7. REQUEST FOR AUTHORIZATION FOR HERB MEIBERGER, BOARD MEMBER, TO ATTEND THE DUNEDIN CLIENT CONFERENCE TO BE HELD IN TURNBERRY, SCOTLAND ON SEPTEMBER 17-20, 1995
8. REQUEST FOR AUTHORIZATION FOR CAROLYN HAMILTON, CHIEF INVESTMENT OFFICER, TO ATTEND THE PENSIONS WEST MEETING TO BE HELD IN CARMEL, CA ON SEPTEMBER 21-22, 1995
9. REQUEST FOR AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO MEET WITH THE OFFICERS OF MERIT ENERGY CO. TO BE HELD IN DALLAS, TEXAS WITH A DATE TO BE DETERMINED IN AUGUST, 1995
10. REQUEST FOR AUTHORIZATION FOR MARK COLEMAN TO ATTEND AIMR WORKSHOP: THE BASICS OF DERIVATIVES TO BE HELD IN CHICAGO, ILLINOIS ON SEPTEMBER 27-28, 1995

- ACTION:**
1. It was moved by Breall, seconded by Driscoll to approve the Consent Calendar except item nos. 6, 7, 8 and 10; motion passed 6-0.
  2. It was moved by Breall, seconded by Martel to approve item no. 6; motion passed 4-2 (Driscoll and Meiberger).
  3. It was moved by Breall, seconded by Casciato to approve item no.7 with appropriate subsequent times and dates to be provided to staff; motion passed 6-0.
  4. It was moved by Breall, seconded by Meiberger to approve item no. 8; motion passed 6-0.
  5. It was moved by Breall, seconded by Martel to approve item no. 10; motion passed 5-1 (Driscoll).

## **INVESTMENT CALENDAR**

### **1. INVESTMENT PLAN - ASSET STRATEGY CONSULTING**

Carolyn Hamilton, Chief Investment Officer, Larry Davanzo and Craig Horvath of Asset Strategy Consulting presented a written and an oral report to the Board explaining both

the investment plan for the management of the assets of the Retirement Fund and the guidelines for the Fund's managers.

The Board reviewed revisions proposed by Commissioner Meiberger with staff and the consultant. Revisions will be made and the final draft will be brought back to the Board.

**ACTION:** No action was taken.

2. TRIANNUAL DOMESTIC EQUITY REVIEW

Carolyn Hamilton, Chief Investment Officer, and Larry Davanzo of Asset Strategy Consulting presented a written and an oral report on the domestic equity portfolio and individual managers according to style.

The Board reviewed recommendations and requested further information relating to Nicholas-Applegate.

**ACTION:** No action was taken. The item will be considered at future meeting date.

3. ALTERNATIVE INVESTMENTS: SUMMIT PARTNERS IV, L.P.

Gary Hiatt, Portfolio Manager, and Bob Mast of Cambridge Associates, presented a written and an oral report recommending that up to \$20 million be invested in Summit Ventures IV, L.P.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to approve the staff recommendation to invest up to \$20 million in Summit Ventures IV, L.P.; motion passed 6-0.

4. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Carolyn Hamilton, Chief Investment Officer, reported that the RFIs for the Alternative Investment Consultant have been completed and returned from all identified candidates. The staff is now reviewing and assessing them and will report their conclusions back to the Board in late August.

- c. The Letter of Adherence for APAX International Ventures V, L.P. has been received and will be signed soon. The System will invest £10 million in APAX.
- d. The System has been allocated \$16.5 million (plus fees) of SCF Partners III. The Board had authorized up to a \$20 million investment.
- e. The liquidation and reinvestment of the MacKay-Shields, Hanson and Internal-Yield portfolios is nearly complete. Richard Piket, Portfolio Manager, reported on the details of the transactions so far.
- f. Bankers Trust has begun to invest the Enhanced Short Term Investment Fund (STIF+) and the System expects to receive an average of 25 basis points higher than the traditional STIF.
- g. Schroder Mortgage Associates will shortly purchase approximately \$30 million of commercial mortgages on three retail properties for the System.

## **GENERAL MANAGER'S REPORT**

Clare Murphy, General Manager, reported on and reviewed the following items:

- 1. Ms. Murphy provided an update on the construction at 1155 Market Street and was hopeful that by the next Board meeting the construction would be complete.
- 2. Update on Membership Criteria Ordinance: This ordinance will be heard today, July 25, 1995 at the Government Efficiency and Labor Committee of the Board of Supervisors. It was continued from the July 11, 1995 meeting with questions regarding the inclusion of the employees of the San Francisco Community College District.
- 3. Ms. Murphy reported that the Peoplesoft contract provision was approved on July 17, 1995 by the Board of Supervisors and the contract will be signed by July 26, 1995.
- 4. Ms. Murphy updated the Board on the San Francisco Police Department Light Duty Policy. Captain Cullop informed Ms. Murphy that this matter is part of labor negotiations and Captain Cullop will meet with Dan Maguire, Deputy City Attorney, Clare Murphy and Deputy City Attorney Ross to review the City's documents.
- 5. Ms. Murphy further updated the Board on the pending legislation relating to Deferred Compensation Participant Fee.
- 6. Ms. Murphy informed the Board that the deadline for filing the application for Portfolio Manager is August 12, 1995.



7. Ms. Murphy reported that she has contacted Sue Lee, Government Liaison to the Chamber of Commerce, to set a time to meet to discuss the possibility of SFERS's participation in the Chamber's meeting.

### **ACTUARY'S REPORT**

No report was made.

### **CITY ATTORNEY'S REPORT**

No report was made.

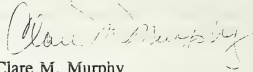
### **BOARD MEMBERS**

Commissioner Casciato reported to the Board members on a conceptual plan of a "birthing fund" with the involvement of three agencies: Retirement, Health Service and the City to review the possibility of providing dental and medical coverage (no cost) to retirees.

Commissioner Casciato requested that at some point a motion be made by the Retirement System to designate a Board member and a retiree to explore this idea.

There being no further business, the Board adjourned its regular meeting at 2:15 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Lori Krieger of Adams Reporting Services.





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

SEP 05 1995

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, AUGUST 8, 1995

10:00 A.M.

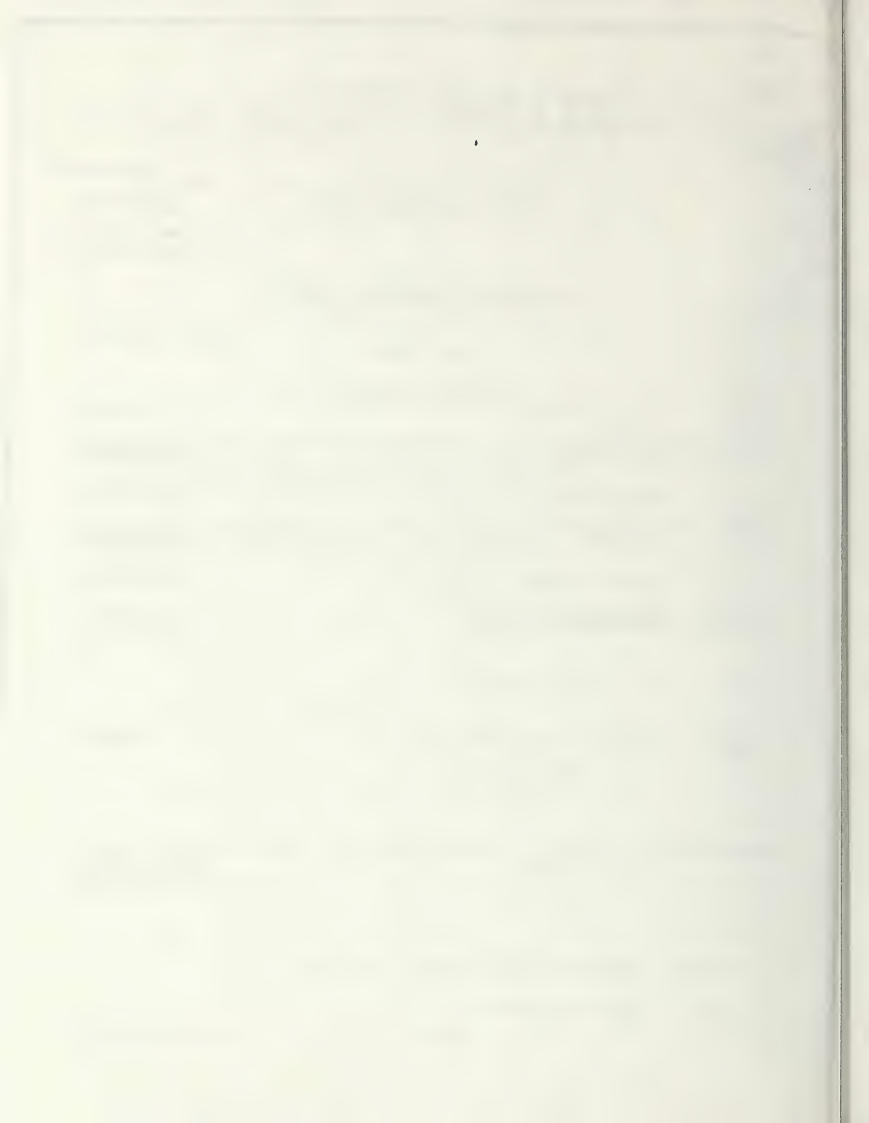
Present:	Constance M. Hiatt	President
	Herb Meiberger	Vice President
	William Breall, M.D.	Commissioner
	Al Casciato	Commissioner
	Joseph D. Driscoll	Commissioner
	Patricia Martel	Commissioner

Absent:	Member of the Board of Supervisors	Supervisor
---------	------------------------------------	------------

Clare M. Murphy	General Manager Retirement System
-----------------	--------------------------------------

MINUTES: Minutes of the Regular Meeting of July 25, 1995.

ACTION: Approved as submitted.



## **RETIREMENT BOARD**

### **REGULAR MEETING**

#### **PUBLIC COMMENT**

President Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### **REGULAR CALENDAR**

##### **1. REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

This is an information item only; no action was taken.

[Commissioner Martel arrived during this item.]

##### **2. REQUEST FOR PROPOSAL EXTERNAL LEGAL COUNSEL**

Clare Murphy, General Manager, and Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item. Ms. Murphy reported on the process for the proposal of external legal counsel and timetables.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Casciato to approve the request for proposal for external legal counsel with pending revisions; motion passed 6-0.

#### **CONSENT CALENDAR**

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

1. VOLUNTARY RETIREMENT BOARD LIST NO. 3-95

2. DECISION OF HEARING OFFICER

- a. Ernest Andrews  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: July 1, 1994  
Granted
- b. William A. Arietta  
Q-50 Police Sergeant - Police Department  
Industrial Disability Retirement/Stipulation  
Effective Date: February 11, 1995  
Granted
- c. Melvin Clisby  
7215 General Laborer Supervisor I - Public Works  
Ordinary Retirement Disability  
Effective Date: August 19, 1993  
Granted
- d. Gerald A. Crowley  
Q-60 Lieutenant - Police Department  
Industrial Disability Retirement/Stipulation  
Effective Date: September 25, 1993  
Granted
- e. Thomas Dillon  
Q-2 Police Officer - Airport Commission  
PERS  
Granted
- f. Steven S. Higa  
1242 Personnel Analyst - San Francisco Unified School District  
Ordinary Retirement Disability  
Effective Date: April 5, 1995  
Granted
- g. Lucy Holman  
7316 Water Service Inspector - Public Utilities Commission  
Ordinary Retirement Disability  
Effective Date: July 1, 1995  
Granted
- h. Willie Hughes  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: February 1, 1995  
Granted

- i. Sylvia A. Jackson  
 8306 Senior Deputy Sheriff - Sheriff's Department  
 PERS  
Granted
- j. Roger A. Kuhn  
 6318 Construction Inspector - Public Works  
 Ordinary Retirement Disability  
 Effective Date: February 1, 1995  
Granted
- k. Joseph Lewis  
 9163 Transit Operator - Public Utilities Commission  
 Ordinary Retirement Disability  
 Effective Date: April 1, 1995  
Granted
- l. Philip Mackay  
 7382 Automotive Mechanic Asst. Supervisor - Public Utilities Commission/MUNI  
 Ordinary Retirement Disability/Vested  
 Effective Date: October 1, 1995  
Granted
- m. Nannie Neal  
 3292 Asst. Superintendent - Recreation and Park  
 Ordinary Retirement Disability/Stipulation  
 Effective Date: April 1, 1995  
Granted
- n. Lawrence Novak  
 (Liane Novak - widow)  
 Police Officer - Police Department  
 Allowance - Death as a Result of Duty  
Denied
- o. Orange Richardson  
 9163 Transit Operator - Public Utilities Commission  
 Ordinary Retirement Disability  
 Effective Date: January 29, 1993  
Granted
- p. John T. Shipman  
 9163 Transit Operator - Public Utilities Commission/MUNI  
 Ordinary Retirement Disability/Stipulation  
 Effective Date: July 1, 1995  
Granted
- q. Phyllis Sieber  
 1408 Principal Clerk - Police Department  
 Ordinary Retirement Disability  
 Effective Date: October 29, 1994  
Granted

3. PETITION FOR REHEARING

Dan Pennisi  
H-2 Firefighter - Fire Department  
Determination

Denied

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Aaron Brinkerhoff
- b. Kerlyn L. Brown
- c. Joanne M. Gregory
- d. Michael Moore
- e. Delia Z. Tayco
- f. Bernne Wangara

- ACTION:**
- 1. It was moved by Breall, seconded by Casciato to approve the Consent Calendar except item no. 2i; motion passed 6-0.
  - 2. It was moved by Breall, seconded by Martel to approve the City Attorney's request for a rehearing in the Sylvia Jackson case (item 2i); motion passed 6-0.

## INVESTMENT CALENDAR

1. REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1995

Clare Murphy, General Manager, and Richard Piket, Portfolio Manager, presented a written and oral report to the Board on the performance of the aggregate portfolio which gained +6.8% during the quarter and 14.9% for fiscal year ended June 30, 1995.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

2. REVIEW OF THE DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1995

Mark Coleman, Security Analyst, presented a written and oral review of the performance for the domestic equity portfolios.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

3. REVIEW OF THE DOMESTIC FIXED INCOME PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1995

Richard J. Piket, Portfolio Manager, presented a written and oral report to the Board on the performance results for the Retirement System's domestic fixed income portfolios.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

4. STAFF RECOMMENDATION FOR THE ALLOCATION OF FUNDS FOR THE PERIOD ENDING OCTOBER 31, 1995

Richard Piket, Portfolio Manager, and Mark Coleman, Security Analyst, presented a written and oral report to the Board recommending specific allocations of income and assets to fund benefits and new investments.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Casciato, seconded by Martel to adopt staff's recommendation; motion passed 6-0. (See attached)

5. DRAFT REQUEST FOR PROPOSAL FOR CUSTODIAL SERVICES

Clare Murphy, General Manager, and Richard Piket, Portfolio Manager, presented a written and an oral report to the Board discussing the draft Request for Proposal and the timetable for the upcoming Master Custodian search.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to adopt the draft request for proposal for custodial services; motion passed 6-0.

[Commissioner Casciato left the meeting at the end of this item.]

6. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Richard Piket, Portfolio Manager, updated the Board members on the Futures Portfolio. This item will be calendared for further consideration.

c. Clare Murphy, General Manager, presented and reviewed with the Board an Investment Division transaction form to be used in the future.

### GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reported on and reviewed the following items:

1. Ms. Murphy informed the Board that the Retirement Board Election announcements have been disseminated.
2. Ms. Murphy reported that the construction has been completed. She also updated the Board on the security card access system along with other security measures for the building.
3. Ms. Murphy reported that the Membership Ordinance was finally passed by the Board of Supervisors and on the task for the Retirement Staff in the implementation of this ordinance.
4. A list on the update of educational opportunities was provided.
5. Ms. Murphy reviewed future Board calendars including the need to cancel the December 26, 1995 Board meeting and to add a special meeting in November to consider custodial candidates.
6. Ms. Murphy requested the Board to provide staff with their availability for meetings of specific Ad Hoc Committees created by the Strategic Plan.
7. Ms. Murphy reported on Supervisor Ammiano's proposed Pacific Stock Exchange transfer tax and the impact on Retirement System.



## ACTUARY'S REPORT

Kieran Murphy, Actuary, reported that the labor negotiations between the City and Police and Firefighters are in progress and agreed to present a report at the August 29, 1995 meeting concerning cost impact of proposed benefit improvements for safety and miscellaneous members.

## CITY ATTORNEY'S REPORT

Dan Maguire, Deputy City Attorney, reported that the Court of Appeals upheld its decision not to allow the Police and Fire to negotiate for pension benefits as a part of their labor package.

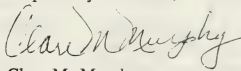
## BOARD MEMBERS

Commissioner Breall requested information regarding the new parking procedures from Board members. Ms. Murphy explained the new procedures to the Board.

Commissioner Meiberger discussed a brief report on the 60-Minutes Show regarding derivatives.

There being no further business, the Board adjourned its regular meeting at 1:20 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

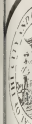
Note: A transcript was made of the regular meeting by Lori Krieger of Adams Reporting Services.

**RECOMMENDED ASSET ALLOCATION  
FOR THE FOUR MONTHS ENDING OCTOBER 31,1995**

<b>Projected Net/Cont. Withdrawals</b>	<b>(\$33,000,000)</b>
<b>Projected Income</b>	<b>86,894,679</b>
<b>Total Available for Allocation</b>	<b>\$53,894,679</b>

<b>SECTOR</b>	<b>PORTFOLIO</b>	<b>MARKET</b>	<b>ANTICIPATED</b>	<b>ADDITIONS</b>	<b>CURRENT</b>
		<b>VALUE</b>	<b>INCOME</b>	<b>(DELETIONS)</b>	<b>WEIGHTING</b>
		<b>06/30/95</b>			
<b>Domestic Equity</b>	Index	\$578,803,792	\$3,530,703	(\$3,530,703)	28.20
	Index Fund Futures		3,821,501	277,927,370	—
	Internal	195,809,720	—	(195,809,720)	9.50
	McCullough	162,558,160	556,761		8.00
	Nicholas Applegate	247,415,444	68,039		12.10
	Hanson	107,117,650	—	(107,117,650)	5.20
	RCM	309,767,887	1,223,583		15.00
	Ark Asset	296,524,652	2,461,350	75,000,000	14.40
	Provident Investment Counsel	69,030,620	110,449		3.40
	Dietche & Field	85,083,020	250,438	25,000,000	4.20
	<b>TOTAL</b>	<b>2,052,110,945</b>	<b>12,022,824</b>	<b>71,469,297</b>	<b>30.40</b>
<b>Inter-national Equity</b>	Capital International	48,509,873	242,005	5,000,000	9.10
	Dunedin	29,103,298	15,093		5.40
	Pictet International	29,661,526	10,126	5,000,000	5.50
	Capital Guardian	234,744,290	1,218,321	15,000,000	44.20
	Oechsle	190,638,276	66,820	10,000,000	35.80
	<b>TOTAL</b>	<b>532,657,262</b>	<b>2,152,365</b>	<b>35,000,000</b>	<b>7.90</b>
<b>Alter-native Investment</b>	Alta Subordinate Debt III	6,992,983		1,000,000	3.10
	Weston Presideo Offshore	4,961,358	2,000,000	800,000	2.20
	Merit Energy Partners VI	23,529,069		2,700,000	10.70
	Vestar Equity Partners	3,531,249			1.60
	Advent VII L.P.	3,697,212		375,000	1.60
	Asia Pacific Trust	4,602,388			2.10
	TCW Special Credit Fund IV	10,000,000			4.60
	Foothill Partners II L.P.	8,390,585		1,200,000	3.70
	APAX Intl. Ventures IV	6,564,025			3.00
	Castle Harlan	3,258,146		2,700,000	1.50
	APAX Capital Risque III	3,559,174			1.60
	Hellman Friedman II	8,420,047	50,000		3.80
	Madison Dearborn	6,381,016	2,860,000	2,210,000	2.90
	Zell/Chilmark	21,964,527			10.00
	First Reserve Fund VI	5,450,257		1,632,500	2.50
	Belmont Capital Partners II	10,076,520			4.60
	TPG Partners	6,079,352			2.70
	Blackstone CAp. Part II	4,306,792		232,000	2.00
	ABRY Broadcast Partners II	526,849	103,000		0.00
	Clayton Dubilier & Rice II	108,900			0.00

SECTOR	PORTFOLIO	MARKET VALUE	ANTICIPATED	ADDITIONS	CURRENT
		06/30/95	INCOME	(DELETIONS)	WEIGHTING
Alternative Investments	Grotech IV L.P.	\$3,021,876		\$300,000	1.40
	Knights bridge	4,156,838			1.90
	Morgan Grenfell III	1,154,063		4,160,000	0.05
	Hellman Friedman III	1,642,679		4,200,000	0.07
	Menlo Ventures VI	3,700,000		800,000	1.70
	TCW Royalty Fund IV	4,228,378	115,000	1,840,000	1.90
	Battery Ventures III	2,025,000		900,000	0.90
	Crossroads S.F.	23,152,807	3,000,000	500,000	10.60
	Alta V	7,029,888		1,000,000	3.20
	Rimco Partners IV	9,094,004	204,000		4.10
	Summit Ventures III L.P.	9,513,907		500,000	4.30
	Sprout Cap. VII	585,000	1,125,000		0.30
	Summit IV				3.20
	Weston Presidio II				
	Apax V				
	SCF Partners III				
	Cash Reserves	<u>7,091,072</u>	<u>106,373</u>		<u>3.20</u>
	TOTAL	218,795,961	9,563,373	27,049,500	3.20
Domestic Fixed Income	Internal	1,818,851,029	31,757,010	(24,691,878)	73.10
	MacKay	163,476,919		(163,476,919)	6.60
	Scudder	283,609,938	4,906,452		11.40
	TCW	221,970,920	5,199,668		8.90
	AEW Mortgage			10,000,000	
	Schroder Mortgage			<u>33,000,000</u>	
	TOTAL	2,487,908,806	41,863,130	(145,168,797)	36.90
Global Fixed Income	Brinson Partners	451,494,195	7,624,205	(35,000,000)	53.80
	Warburg	<u>387,215,224</u>	<u>7,259,098</u>		<u>46.20</u>
	TOTAL	838,709,419	14,883,303	(35,000,000)	12.40
Real Estate	Coldwell Banker	40,957,067			6.60
	Schroder A	22,896,632	185,185		3.70
	JMB I	16,257,553			2.60
	Lehndorff Babson	96,157,291	1,350,000		15.60
	Metric Realty	78,173,392	1,300,000	17,000,000	12.70
	RREEF Industrial	44,808,121	397,000	250,000	7.30
	Pacific Acquisition/Stoneson De	9,421,550	166,000		1.60
	RREEF General	128,486,783	1,850,000		20.80
	AMB	145,423,594	1,000,000	26,400,000	23.70
	Cash Reserves	<u>32,981,257</u>	<u>161,499</u>	<u>(30,000,000)</u>	<u>5.40</u>
	TOTAL	615,563,240	6,409,684	13,650,000	9.20
	TOTAL ALLOCATION	6,745,745,633	86,894,679	(33,000,000)	100%



R. 10  
#3  
S/10



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1157 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

SEP 18 1995

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, AUGUST 29, 1995

10:00 A.M.

Present:	Constance M. Hiatt	President
	Herb Meiberger	Vice President
	William Breall, M.D.	Commissioner
	Al Casciato	Commissioner
	Joseph D. Driscoll	Commissioner
Absent:	Member of the Board of Supervisors	Supervisor
	Patricia Martel	Commissioner
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of August 8, 1995.

ACTION: Approved as submitted.



## RETIREMENT BOARD

### REGULAR MEETING

### PUBLIC COMMENT

President Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### REGULAR CALENDAR

#### 1. REVIEW OF SHARED VALUES AND BEHAVIORS

Clare Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

Commissioner Meiberger spoke on the need for better communications.

This is an information item only; no action was taken.

#### 2. STRATEGIC PLAN MONTHLY PROGRESS REVIEW

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

#### 3. UNFINISHED BUSINESS REPORT

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Casciato to adopt the unfinished business report with an addition: Commissioner Meiberger requested the

investment staff have the General Partners of investments in the Alternatives Portfolio send quarterly statements to Bankers Trust; motion passed 5-0.

4. CONSIDERATION OF POSSIBLE AMENDMENT TO RETIREMENT BOARD ELECTION ORDINANCE

Clare Murphy, General Manager, and Kay Gulgengay, Executive Assistant, reviewed with the Board the various responses submitted by independent contractors and their estimates of costs to provide services as an election administrator for the Retirement Board Election.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Commissioner Casciato requested that an amendment be made to the ordinance to provide for an option to mail to the active members' home addresses or to provide the ballots to the departments.

The Board instructed the staff to begin the process for the search for an alternative to the Registrar of Voters as an election administrator.

**ACTION:** It was moved by Casciato, seconded by Meiberger to begin RFP process for the search for an alternate to the Registrar of Voters as an election administrator; motion passed 5-0.

5. CONSIDERATION OF SPECIAL MEETING DATE FOR CUSTODIAL CANDIDATE PRESENTATIONS

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Casciato to select November 28, 1995 with a starting time of 8:30 a.m. for the special meeting date for custodial candidate presentations; motion passed 5-0.

6. ADJUSTMENT OF DISABILITY RETIREMENT ALLOWANCE - STEPHEN A. O'NEILL

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.



The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** The Board unanimously voted to adjust Stephen A. O'Neill's industrial disability retirement allowance from 50% to 60%.

## CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

1. a. VOLUNTARY RETIREMENT BOARD LIST NO. 4-95

- b. VOLUNTARY RETIREMENT BOARD LIST NO. 5-95

2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE

Mary Anne G. Johnson

3. DECISION OF HEARING OFFICER

Austin L. Wilson  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability

Denied

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Joseph H. Perrone

- b. Donald R. Thors

5. REQUEST TO CANCEL THE DECEMBER 26, 1995 BOARD MEETING

6. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF JUNE 27, 1995

7. REQUEST FOR AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO ATTEND THE 1995 PRIVATE EQUITY ANALYST CONFERENCE, TO RESEARCH TWO POST-VENTURE/DISTRIBUTION MANAGEMENT FIRMS AND TO MEET WITH VESTAR AND CASTLE-HARLAN PRINCIPALS IN NEW YORK CITY ON SEPTEMBER 10-14, 1995

**ACTION:** It was moved by Breall, seconded by Casciato to approve the Consent Calendar items; motion passed 5-0.

## **INVESTMENT CALENDAR**

### **1. QUARTERLY PERFORMANCE REVIEW BY ASSET STRATEGY CONSULTING**

Larry Davanzo of Asset Strategy Consulting presented a written and oral report to the Board on the this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

### **2. EXTERNAL MANAGER PRESENTATIONS: MERCURY ASSET MANAGEMENT, CAPITAL INTERNATIONAL-EMERGING MARKETS GROWTH AND TRUST COMPANY OF THE WEST**

Eric Nelson and Rory MacLeod of Mercury Asset Management, David Fisher and Michael Nyeholt of Capital International-Emerging Markets Growth and Stephen MacDonald and Robert D. Breyer of Trust Company of the West presented a written and oral report on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

### **3. RESULTS OF ALTERNATIVE INVESTMENT CONSULTANTS REVIEW**

Gary Hiatt, Portfolio Manager, and Brewster Wyckoff, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

## **CLOSED SESSION**

Pursuant to the Ralph M. Brown Act, Government Code Section 54950 et. seq., and the

Sunshine Act, San Francisco Administrative Code Section 67.10, the Retirement Board met in closed session.

#### CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Application of Judith Hardiman v. San Francisco Retirement Board  
Case No. - (AAA 74 127 01660 94)

Dan Maguire, Deputy City Attorney, gave an update on the status of court and administrative proceedings on the Judith Hardiman case. He will report back to the Board at a future meeting.

#### 4. CHIEF INVESTMENT OFFICER'S REPORT

##### a. Proxy Votes

There were no proxy votes.

b. Carolyn Hamilton, Chief Investment Officer, reported that the Request for Proposals for Master Custodian have been mailed to the candidates. The RFP's are due by September 28, 1995.

c. The effect of the purchase of Broadway Stores by Federated on the System's Investment in the Zell-Chilmark Fund was discussed.

d. Because new investment is closed in Capital International Emerging Markets Growth Fund until January, 1996, the staff will come back to the Board with a recommendation for the allocation for the \$5 million which had been approved for the Emerging Markets Fund.

#### GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reported on and reviewed the following items:

1. Ms. Murphy updated the Board on the Retirement Staff's tasks in implementing the Membership Ordinance.
2. Kay Gulbengay, Executive Assistant, updated the Board on the various meetings which have occurred with groups to correct the problems relating to mailing of ballots for the 1995 Retirement Board Election.
3. Ms. Murphy updated the Board on the Portfolio Manager's Exam.

4. Ms. Murphy reported that the ISPS Charter has been adopted and they have requested the \$10,000 from Soft Dollars as approved by the Board.
5. Ms. Murphy reported that she will be on vacation starting at 12:00 noon until September 8, 1995. Kay Gulbengay will be Acting General Manager in her absence.

### **ACTUARY'S REPORT**

Kieran Murphy, Actuary, reviewed the plan funded status and cost of increasing benefits. The Board directed Mr. Murphy to have this information distributed to all interested parties with a cover memo from the General Manager.

### **CITY ATTORNEY'S REPORT**

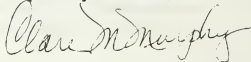
No report was made.

### **BOARD MEMBERS**

No report was made.

There being no further business, the Board adjourned its regular meeting at 4:28 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Lori Krieger of Adams Reporting Services.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT

OCT 02 1995

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, SEPTEMBER 12, 1995

10:00 A.M.

Present:	Constance M. Hiatt	President
	Herb Meiberger	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Patricia Martel	Commissioner
Absent:	Member of the Board of Supervisors	Supervisor
	Al Casciato	Commissioner
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of August 29, 1995.

ACTION: Approved as submitted.



## **RETIREMENT BOARD**

### **REGULAR MEETING**

#### **PUBLIC COMMENT**

President Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### **REGULAR CALENDAR**

1. **REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

This is an information item only; no action was taken.

2. **CONSIDERATION OF AMENDMENT TO RETIREMENT BOARD ELECTION ORDINANCE**

Clare Murphy, General Manager, and Kay Gulbengay, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

- ACTION:**
1. It was moved by Driscoll, seconded by Martel to recuse Commissioner Driscoll to vote on the amendment to Retirement Board Election Ordinance; motion passed 4-1 (Breall).
  2. It was moved by Breall, seconded by Martel to adopt the amendment to the Retirement Board Election Ordinance; motion passed 4-0 (Commissioner Driscoll was recused.)

3. **DRAFT REQUEST FOR PROPOSAL EXTERNAL RETIREMENT BOARD ELECTION ADMINISTRATOR**

Kay Gulbengay, Executive Assistant, presented a written and oral report to the Board on this item.



The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Breall to direct Registrar's Office to conduct the 1996 Retirement Board Election and instructed staff not to proceed with the request for proposal for the selection of an outside contractor to act as an election officer for the 1996 election; motion passed 5-0.

4. **REQUEST FOR VALIDATION OF DATABASE SERVICE CREDIT CALCULATION**

Maria Newport, Administrator, Retirement Services, and Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Meiberger to approve the request for validation of database service credit calculation; motion passed 5-0.

5. **REVIEW OF ACTUARIAL CONSULTANT REQUEST FOR PROPOSAL PROCESS**

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Commissioner Driscoll instructed the staff to initiate request for proposal for actuarial consultants and include in this request that a formal presentation to Retirement Board may not be necessary.

This is an information item only; no action was taken.

## **CONSENT CALENDAR**

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.



1. DECISION OF HEARING OFFICER

- a. Doreen A. Carroll  
Q-2 Police Officer - Police Department  
Determination  
Effective Date: September 1, 1993 to October 1, 1993      Granted  
Industrial Disability Retirement      Denied
- b. Kathryn Hunter  
2320 Registered Nurse - Public Health/Forensic Services  
Ordinary Retirement Disability  
Effective Date: October 1, 1994      Granted
- c. Joe E. Williams  
Q-60 Lieutenant - Police Department  
Industrial Disability Retirement/Stipulation      Denied

2. PETITION FOR REHEARING

Liane Novak  
Q-2 Police Officer - Police Department  
Allowance - Death as a Result of Duty      Denied

3. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Milton L. Cooper, Jr.
- b. Lawrence D. Frost

4. REQUEST FOR AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO ATTEND THE ANNUAL ADVISORY BOARD MEETING FOR WESTON PRESIDIO OFFSHORE CAPITAL C.V., TO BE HELD IN LONDON, ENGLAND ON OCTOBER 4-6, 1995

**ACTION:** It was moved by Breall, seconded by Martel to approve the Consent Calendar items; motion passed 4-0 (Commissioner Meiberger was not present for the vote.)

## INVESTMENT CALENDAR

1. QUARTERLY REPORT ON GLOBAL FIXED INCOME FOR THE PERIOD ENDED JUNE 30, 1995

Richard Piket, Portfolio Manager, provided a review of the performance of the global

fixed income portfolios for the second quarter of 1995.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

2. QUARTERLY REPORT ON INTERNATIONAL EQUITY MANAGERS FOR THE PERIOD ENDED JUNE 30, 1995

Carolyn Hamilton, Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and oral review of the performance for the international equity managers.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

3. TRI-ANNUAL EQUITY REVIEW RECOMMENDATION

Larry Davanzo of Asset Strategy Consulting and Carolyn Hamilton, Chief Investment Officer, presented a written and oral report which details the recommended structure of the US Equity component which will be incorporated into the Investment Plan. David G. Booth and David E. Schneider of Dimensional Fund Advisors, Inc. made a presentation as well.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Driscoll to accept staff recommendation to invest in the U.S. Equity Targets and Ranges as indicated below; motion passed 4-1 (Meiberger)

<u>US Equities</u>	<u>Target</u>	<u>Range</u>
	32%	28-38%
Passive Core	7	6-8%
Active Core	3	2-4%
Larger Value Orientation	10	8-12%
Smaller Value Orientation	4	2-6%

#### 4. CHIEF INVESTMENT OFFICER'S REPORT

##### a. Proxy Votes

There were no proxy votes.

- b. Carolyn Hamilton, Chief Investment Officer, reported that letters have sent to alternative asset limited partnerships requesting that all quarterly and annual financial reports be mailed in a timely fashion to the SFERS Master Custodian.
- c. Heitman/JMB will be appearing before the Board at the meeting of September 26. Staff would welcome any questions that the Board might have concerning their investments for the Retirement Fund.
- d. At the next Board meeting, staff will present to the Board a recommendation for allocating the \$5 million which was not placed into the emerging markets growth fund and which should be allocated before October 31, 1995.

#### GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reported on and reviewed the following items:

- 1. Ms. Murphy invited the Board members to attend the "Construction Party" on Thursday, September 14, 1995 at noon.
- 2. Ms. Murphy reported that an ordinance was introduced at the Board of Supervisors on September 11, 1995 relating to Deferred Compensation Participant Fee. Will review the ordinance at the September 26, 1995 Board meeting. She reported that meetings have taken place between Supervisor Shelley's assistant, Commissioner Al Casciato, Commissioner Joe Driscoll, Dan Maguire, Kieran Murphy and Kay Gulbengay with follow-up meetings with John Madden, Controller's Office. President Hiatt reported to the Board her discussion with Supervisor Shelley.
- 3. Ms. Murphy provided a list of educational opportunities with an addition of the IFE Winter Session.
- 4. Ms. Murphy reported that she was in receipt of a letter from Health Service System requesting that the ordinance relating to Retirement Elections reflect the same for Health Service System. She will provide a copy of recently amended proposed ordinance adopted today to Randall Smith to review.
- 5. Ms. Murphy provided an update on the Membership Ordinance. The Retirement staff has held 53 enrollment sessions from August 16 through September 8, 1995. There were

901 persons that have been enrolled as of to-date. There are 2,025 eligible and 901 employees have made their active choice.

### **ACTUARY'S REPORT**

No report was made.

### **CITY ATTORNEY'S REPORT**

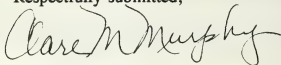
No report was made.

### **BOARD MEMBERS**

No report was made.

There being no further business, the Board adjourned its regular meeting at 2:38 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Lori Krieger of Adams Reporting Services.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

OCT 13 1995

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, SEPTEMBER 26, 1995

10:00 A.M.

Present:	Constance M. Hiatt	President
	Herb Meiburger	Vice President
	Al Casciato	Commissioner
	Joseph D. Driscoll	Commissioner
	Patricia Martel	Commissioner

Absent:	Member of the Board of Supervisors	Supervisor
	William Breall, M.D.	Commissioner

Clare M. Murphy	General Manager Retirement System
-----------------	--------------------------------------

MINUTES: Minutes of the Regular Meeting of September 12, 1995.

ACTION: Approved as submitted.

SF  
R55  
#3  
9/26/95



## RETIREMENT BOARD

### REGULAR MEETING

#### PUBLIC COMMENT

President Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### REGULAR CALENDAR

1. REVIEW OF SHARED VALUES AND BEHAVIORS

Clare Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

This is an information item only; no action was taken.

2. STRATEGIC PLAN MONTHLY PROGRESS REVIEW

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Martel to delete "Critical Path Management" from the Strategic Plan Monthly Progress Review; motion passed 5-0.

3. UNFINISHED BUSINESS REPORT

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken; information item only.

4. CONSIDERATION OF ALTERNATIVE STARTING TIMES FOR BOARD MEETINGS

President Constance Hiatt presented an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken; Board directed staff to prepare a Rule Change to reflect a different starting time for Retirement Board Meetings to 12:30 p.m. This change will be considered at the October 10, 1995 meeting.

5. REVIEW OF REQUEST FOR PROPOSAL FOR ACTUARIAL CONSULTING SERVICES

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Martel to adopt the Request for Proposal for Actuarial Consulting Services; motion passed 5-0.

## CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

1. VOLUNTARY RETIREMENT BOARD LIST NO. 6-95

2. DECISION OF HEARING OFFICER

a. Ronald E. Holmstem  
8304 Deputy Sheriff - Sheriff's Department  
PERS Granted

b. Rafael C. Trujillo  
8178 Senior Attorney - Public Defender's Office  
Ordinary Retirement Disability  
Effective Date: March 8, 1995 - June 8, 1995 Granted



- c. Walter M. Wilson  
8304 Deputy Sheriff - Sheriff's Department  
PERS

Granted

3. REQUEST FOR AUTHORIZATION FOR INVESTMENT AND ACCOUNTING STAFF MEMBERS TO PERFORM ON-SITE DUE DILIGENCE IN VARIOUS CITIES WITH MASTER/CUSTODY CANDIDATES ON OCTOBER 16-27, 1995
4. REQUEST FOR AUTHORIZATION FOR HERB MEIBERGER, BOARD MEMBER, TO ATTEND THE INVESTMENT MANAGEMENT INSTITUTE PUBLIC FUNDS FORUM IN CARLSBAD, CA ON OCTOBER 17-22, 1995
5. REQUEST FOR AUTHORIZATION FOR PATRICIA MARTEL, BOARD MEMBER, TO ATTEND THE PENSIONS 2000 CONFERENCE IN PASADENA, CA ON NOVEMBER 1-4, 1995
6. REQUEST FOR AUTHORIZATION FOR CONSTANCE HIATT, BOARD MEMBER, TO ATTEND THE 1996 WINTER SEMINAR FOR PUBLIC FUNDS IN SANTA BARBARA, CA ON JANUARY 7-10, 1996

**ACTION:** It was moved by Casciato, seconded by Martel to approve the Consent Calendar items; motion passed 5-0.

### INVESTMENT CALENDAR

1. QUARTERLY REPORT ON REAL ESTATE PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1995

Carolyn Hamilton, Chief Investment Officer, and Frank Blaschka of The Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

2. REAL ESTATE MANAGER PRESENTATION: HEITMAN/JMB ADVISORY CORPORATION

Jim Proud of Heitman/JMB Advisory Corporation presented a written and oral report on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

### 3. INVESTMENT PLAN AND MANAGER GUIDELINES

Carolyn Hamilton, Chief Investment Officer, and Leslie Kautz of Asset Strategy Consulting discussed the Investment Policy Statement which incorporates the changes previously approved by the Board.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Martel to adopt the Investment Policy Statement and individual manager guidelines; motion passed 5-0.

### 4. CHIEF INVESTMENT OFFICER'S REPORT

#### a. Proxy Votes

There were no proxy votes.

#### b. Carolyn Hamilton, Chief Investment Officer, reported on the discussion of RCM and their possible acquisition by Goldman Sachs or other parties.

#### c. Discussion of acquisition of IFSI by CDA Investment Technologies Inc., a subsidiary of Thomson International of Canada.

#### d. Discussed the retirement of Paul Dietche from Dietche & Field.

#### e. Ms. Hamilton sent letters to various Limited Partnerships requesting that financial information be sent on a timely basis to the custodian and to the SFERS accounting staff.

#### f. Stated that the value of assets remaining in the Internal Yield portfolio was slightly over \$100,000. The assets were comprised of 5 ADRs which were 144a stock and which would be sold as soon as possible.

#### g. The question of future investments in emerging markets possible outside the Capital Investment Emerging Markets Growth Fund and where to allocate the \$5 million current allocation since the Fund is closed will be discussed after more research at the Board meeting of October 10, 1995.

- h. Gary Hiatt will be recommending investments in two new limited partnerships brought by Foothill and Oak Tree at the October 10, 1995 Board meeting. Commissioners are encouraged to contact him if they would like any more information before the meeting.

## **GENERAL MANAGER'S REPORT**

Clare Murphy, General Manager, reported on and reviewed the following items:

1. Ms. Murphy informed the Board that the time will be adjusted on the Board Meeting Schedule to reflect new starting time of 12:30 p.m.
2. Ms. Murphy informed the Board that there are five candidates for the 1996 Retirement Board Election.
3. Ms. Murphy updated the Board on the status of the Election Ordinance which is to be introduced either by Supervisor Shelly or by the Retirement Board as a department.
4. Ms. Murphy reported that the Participant Fee Ordinance will be heard on Thursday, September 28, 1995 in Government Efficiency and Labor Committee of the Board of Supervisors. There will also be a meet and confer regarding this issue on Wednesday, September 27, 1995 at 3:30 p.m., 44 Gough.
5. Ms. Murphy provided an update on the Membership Ordinance. The Retirement staff has held 53 enrollment sessions from August 16 through September 8, 1995. A total of 1497 new members were certified effective September 9, 1995. Additional enrollments will continue under these provisions on an on-going basis.

## **ACTUARY'S REPORT**

Kieran Murphy, Actuary, reported on the labor negotiations between the City and County of San Francisco and the Police and Fire Departments.

Clare Murphy, General Manager, reported that a draft Charter Amendment will be prepared by the Retirement Staff and City Attorney.

## **CITY ATTORNEY'S REPORT**

President Hiatt requested Dan Maguire, Deputy City Attorney, to place the item on Unfinished Business List - Internal Revenue Code Section 401a.17 regarding Covered Compensation Limit.

Commissioner Casciato reviewed with Dan Maguire the Three-Year "Catch-Up Rule" relating to the Deferred Compensation Plan.

## **BOARD MEMBERS**

The Board discussed the possibility of limiting the length of Board Member discussion on items.

The Board agreed that some form of limitation is desirable and decided it should be up to the Chair to remind Board members of time constraints.

There being no further business, the Board adjourned its regular meeting in the memory of Morris Meiberger at 2:38 p.m.

Respectfully submitted,

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Lori Krieger of Adams Reporting Services.

**City and County of San Francisco**



**San Francisco City and County  
Employees' Retirement System  
Office of The General Manager**

**MEMORANDUM**

**September 28, 1995**

DOCUMENTS DEPT.  
OCT 04 1995  
SAN FRANCISCO  
PUBLIC LIBRARY

**To: The Retirement Board**

**From: Clare M. Murphy**  
General Manager

**Subject: PROSPECTIVE RETIREMENT BOARD MEETING SCHEDULE AND TOPICS**

DATE	TIME	TENTATIVE TOPICS
10/10/95	10:00 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Consideration of Participant Fee Election Hartford Deferred Compensation Annual Report Chief Investment Officer's Report U.S. Equity Investment Implementation Plan Report on Streamlining and Improving Manager Presentations Presentations and Recommendations of Two Alternative Investments
10/31/95	10:00 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Strategic Plan Monthly Progress Review Unfinished Business Report Draft Annual Report Quarterly Report on Concepts and Status of the Automated Retirement System Report and Recommendation for Establishment of Retirement Board Standing Finance Committee Seminar on Options and Derivative Strategies Communication Committee Report Prior Service 1984-1995 Report Participant Fee Rate Setting Actuarial Experience Analysis as of June 30, 1995 Chief Investment Officer's Report



DATE	TIME	TENTATIVE TOPICS
11/14/95	12:30 p.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Cost Study of Fiduciary Insurance for Board Members Annual Report Budget Committee Report Evaluating CPPA Process Implementation Chief Investment Officer's Report Report on Total Portfolio Performance Quarterly Report Domestic Equity Performance Quarterly Report Domestic Fixed Income Performance Quarterly Asset Allocation Custodian Finalist Candidates List
11/28/95	8:30 a.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Strategic Plan Monthly Progress Review Unfinished Business Report Chief Investment Officer's Report Quarterly Performance Review by Consultant External Manager Presentations Alternative Investment Semi-Annual Report Post Venture Distribution Report Custodian Finalist Presentations
12/12/95	12:30 p.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Actuarial Valuation Recommendation of City Contribution Rates for Fiscal year 1996-97 Reconsideration of City Contribution Rates for Fiscal Year 1995-96 Prior Service Pre-1983 Report Chief Investment Officer's Report Quarterly Report on Global Fixed Income Quarterly Report on International Equity Managers Quarterly Real Estate Management Investment Plans Real Estate Manager Presentations





DATE	TIME	TENTATIVE TOPICS
01/09/96	12:30 p.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Preliminary Budget Review for Fiscal Year 1996-97 Quarterly Report on Concepts and Status of the Automated Retirement System Actuarial Services Contract/Review Request for Proposals Report on Benefit Payment System - Electronic Funds Transfer Chief Investment Officer's Report
01/30/96	12:30 p.m.	<b>Regular Meeting</b> Review of Shared Values and Behaviors Strategic Plan Monthly Progress Review Unfinished Business Report Retirement System Travel Expense Report for the Period Ending December 31, 1995 Chief Investment Officer's Report Proxy Review Comparative Analysis of Comparable Public and Private Pension Funds Delegation of Staff Authority Report Decision Making Report (Proposition 162)



SE  
R  
3  
1/1



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

NOV 06 1995

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, OCTOBER 10, 1995

10:00 A.M.

Present:	Constance M. Hiatt	President
	Herb Meiberger	Vice President
	William Breall, M.D.	Commissioner
	Al Casciato	Commissioner
	Joseph D. Driscoll	Commissioner
	Patricia Martel	Commissioner

Absent:	Member of the Board of Supervisors	Supervisor
---------	------------------------------------	------------

Clare M. Murphy	General Manager Retirement System
-----------------	--------------------------------------

MINUTES: Minutes of the Regular Meeting of September 26, 1995.

ACTION: Approved as submitted.



## **RETIREMENT BOARD**

### **REGULAR MEETING**

#### **PUBLIC COMMENT**

President Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### **REGULAR CALENDAR**

##### **1. REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

This is an information item only; no action was taken.

##### **2. CONSIDERATION OF PARTICIPANT FEE SURVEY**

Clare Murphy, General Manager, and Kay Gulbengay, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Casciato, seconded by Breall to delay sending out the Participant Fee Survey and create a sub-committee (Commissioners Casciato, Meiberger and Breall and a staff member) to review the fee process and bring back to the Board a solution and a fee which will be imposed; motion passed 6-0.

[Commissioner Martel arrived during this item.]

##### **3. HARTFORD DEFERRED COMPENSATION ANNUAL REPORT**

Peter Bellardinelli, Field Director, and Andy Kohnke, Vice President, Investments of Hartford presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

4. REQUEST FOR DISMISSAL OF APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT - PHILIP TUMMARELLO

Kay Gulbengay, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Casciato to approve the request to dismiss the application for industrial disability retirement of Philip Tummarello; motion passed 6-0.

### CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

1. VOLUNTARY RETIREMENT BOARD LIST NO. 7-95

2. DECISION OF HEARING OFFICER

- |    |   |         |
|----|---|---------|
| a. | Juan A. Braganza<br>1654 Principal Accountant - Fire Department<br>Ordinary Retirement Disability/Stipulation<br>Effective Date: March 11, 1995 | Granted |
| b. | Paul V. Duensing<br>7346 Painter - War Memorial<br>Ordinary Retirement Disability<br>Effective Date: January 4, 1995                            | Granted |
| c. | Daniel J. Flynn<br>8306 Senior Deputy Sheriff<br>PERS   | Granted |

- d. Jonathan S. Goldman  
1844 Senior Management Assistant - Public Health/Laguna Honda Hospital  
Ordinary Retirement Disability  
Effective Date: July 1, 1995 Granted
  - e. Rex S. Lewin  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement  
Effective Date: August 15, 1995 Granted
  - f. Wayne C. Pickering, Jr.  
8204 Institutional Police Officer - Public Health  
Ordinary Retirement Disability  
Effective Date: July 1, 1994 Granted
  - g. Charles Washington, Jr.  
2738 Porter Assistant Supervisor - Public Health\Laguna Honda Hospital  
Ordinary Retirement Disability  
Effective Date: May 31, 1995 Granted
3. PETITION FOR REHEARING  
  
Sylvia Jackson  
8306 Senior Deputy Sheriff - Sheriff's Department  
PERS Denied
  4. REQUEST TO AMEND RETIREMENT BOARD RULE NO. 2
  5. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN  
  
Peter I. Mondragon
  6. APPLICATION FOR BIRTHDATE CORRECTION  
  
George Scherer
- ACTION:** It was moved by Driscoll, seconded by Martel to approve the Consent Calendar items; motion passed 4-0. (Commissioners Breall and Casciato were not present for the vote.)

## INVESTMENT CALENDAR

### 1. U.S. EQUITY INVESTMENT IMPLEMENTATION PLAN

Carolyn Hamilton, Chief Investment Officer, presented a written and oral report outlining the implementation plan for the targeted US equity structure of the Investment Policy Statement.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Breall that staff prepare a Request for Proposal for smaller value managers and a list of candidates with the criteria used for the creation of the list and to be calendared at the November 14, 1995 Board meeting; motion passed 5-1 (Meiberger).

### 2. RECOMMENDATION TO ENGAGE ASSET STRATEGY CONSULTING TO ASSIST IN CUSTODIAL CANDIDATE REVIEW

The Investment Division and the Accounting Division of the Retirement System and the Information Services Division presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Martel to engage Asset Strategy Consulting to assist in the Custodial candidate review; motion passed 6-0.

### 3. REPORT ON STREAMLINING AND IMPROVING MANAGER PRESENTATIONS

Richard Pickett, Portfolio Manager, and Commissioner Breall presented suggestions for improving investment manager presentations.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. The Board directed the Committee to include the suggestions in the Investment Policy.

This is an information item only; no action was taken.

### 4. ALTERNATIVE INVESTMENT RECOMMENDATION: FOOTHILL PARTNERS III, L.P.

Gary Hiatt, Portfolio Manager, and Bob Mast of Cambridge Associates, presented a



written and oral report recommending that up to \$20 million be invested in Foothill Partners III, L.P.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Driscoll to invest up to \$20 million in Foothill Partners III, L.P.; motion passed 6-0.

5. **ALTERNATIVE INVESTMENT RECOMMENDATION: OAKTREE CAPITAL MANAGEMENT OPPORTUNITIES FUND, L.P.**

Gary Hiatt, Portfolio Manager, and Bob Mast of Cambridge Associates, presented a written and oral report recommending that up to \$20 million be invested in Oaktree Capital Management Opportunities Fund, L.P.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Hiatt to invest up to \$20 million in Oaktree Capital Management Opportunities Fund, L.P.; motion passed 6-0.

6. **CHIEF INVESTMENT OFFICER'S REPORT**

a. **Proxy Votes**

There were no proxy votes.

- b. Carolyn Hamilton, Chief Investment Officer, reported on quarterly asset allocation of \$5 million. The Board directed staff to bring to the Board on October 31, 1995 the request to reserve \$10 million to be invested in Capital International's Emerging Markets in January, 1996.

**ACTION:** It was moved by Casciato, seconded by Driscoll that \$5 million be allocated to Dunedin Fund managers; motion passed 6-0.

## **GENERAL MANAGER'S REPORT**

Clare Murphy, General Manager, reported on and reviewed the following items:

1. Ms. Murphy provided a list of educational opportunities.

2. Ms. Murphy updated the Board on the ongoing negotiations with the City and 30 labor organizations.
3. Ms. Murphy gave the Board an article on NCPERS (Urgent Word from Washington) relating to the pending tax legislation.
4. Ms. Murphy reported that the ordinance relating to the participant fee of Deferred Compensation will be before the Board of Supervisors for the first reading on October 10, 1995. She also reported that the ordinance relating to the election process will be heard in the Government Efficiency and Labor Committee of the Board of Supervisors in October. The Health Service System has submitted proposed amendments to the ordinance which need to be reviewed.
5. Ms. Murphy informed the Board of the upcoming Advanced Trustee Training classes.

### **ACTUARY'S REPORT**

Kieran Murphy, Actuary, reported on the following items:

1. Mr. Murphy handed out a memo to City management and employee representatives soliciting input on assumptions to be used in the 1995 Plan Valuation.
2. Reported to the Board the status of probation officers' transfer of service credit.
3. Mr. Murphy reported on the Dependent Health Care premium given currently to 800 miscellaneous employees per MOU's and highlighted potential retirement costs.
4. Mr. Murphy reported that every August the Department of Human Resources is supposed to provide the Retirement System with a copy of the Police and Fire county survey in order to determine the amount of increase for retired Police and Fire members. President Hiatt will draft letter to the Department of Human Resources requesting that this survey be completed and provided to SFERS.
5. Mr. Murphy reviewed with the Board the possibility of a Closed Session/Executive Session on October 31, 1995 regarding Benefit Administration Committee matters.

### **CITY ATTORNEY'S REPORT**

No report was made.

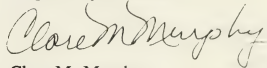
## BOARD MEMBERS

Commissioner Casciato requested that he ask Peter Ashe to participate in discussions with the Health Service Commission relating to the future Medicare and Medical changes and how they will affect retirees without representing the SFERS.

Commissioner Meiberger reviewed with the Board details of information provided at the Dunedin Client Conference in Scotland and his visits to money managers in London.

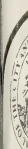
There being no further business, the Board adjourned its regular meeting at 2:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Clare M. Murphy".

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Lori Krieger of Adams Reporting Services.



96

H2

33

11/



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

NOV 20 1995

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, OCTOBER 31, 1995

10:00 A.M.

Present: Constance M. Hiatt  
Herb Meiberger  
William Breall, M.D.  
Al Casciato  
Joseph D. Driscoll  
Patricia Martel

President  
Vice President  
Commissioner  
Commissioner  
Commissioner  
Commissioner

Absent: Member of the Board of Supervisors

Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of October 10, 1995.

ACTION: Approved as submitted.

# 877701-10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

## **RETIREMENT BOARD**

### **REGULAR MEETING**

#### **PUBLIC COMMENT**

President Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### **REGULAR CALENDAR**

##### **1. REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

This is an information item only; no action was taken.

##### **2. STRATEGIC PLAN MONTHLY PROGRESS REVIEW**

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken.

[Commissioner Martel arrived during this item.]

##### **3. UNFINISHED BUSINESS REPORT**

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken.

4. ACTUARIAL EXPERIENCE ANALYSIS AS OF JUNE 30, 1995

Kieran Murphy, Actuary, and Catherine Cole of Towers Perrin presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Martel to accept the actuarial experience analysis and to approve the use of the same economic assumptions as last year in this year's valuation; motion passed 6-0.

5. PRIOR SERVICE 1984-1995 REPORT

Maria Newport, Administrator, Retirement Services, presented an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

6. REQUEST TO AMEND THE RETIREMENT BOARD ELECTION SCHEDULE

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Martel to amend the Retirement Board Election schedule; motion passed 6-0.

7. REQUEST TO AMEND THE ORDINARY RETIREMENT DISABILITY DATE FOR ARCHIE HENSON

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Breall to amend the ordinary retirement disability date for Archie Henson; motion passed 6-0.



8. REPORT AND RECOMMENDATION FOR ESTABLISHMENT OF RETIREMENT BOARD STANDING FINANCE COMMITTEE

The Committee recommended the establishment of a Standing Finance Committee for the Retirement Board.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Casciato, seconded by Meiberger to establish the Standing Finance Committee for the Retirement Board; motion passed 6-0.

### CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

1. VOLUNTARY RETIREMENT BOARD LIST NO. 8-95

2. DECISION OF HEARING OFFICER

- a. Eillen M. Barrett  
2302 Certified Nurse Assistant - Public Health/Laguna Honda Hospital  
Ordinary Retirement Disability  
Effective Date: February 1, 1995 Granted
- b. Carroll E. Henry  
(Beatrice Jackson-Henry - widow)  
Q-2 Police Officer - Police Department  
Death as a Result of Duty  
Effective Date: July 17, 1994 Granted
- c. Thomas R. Jackson  
7307 Bricklayer - Public Works  
Ordinary Retirement Disability  
Effective Date: April 3, 1995 Granted
- d. Patricia A. Moore  
1452 Executive Secretary II - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: March 1, 1995 Granted

- e. Kevin O'Connor  
7220 Asphalt Finisher Supervisor I - Public Works  
Ordinary Retirement Disability  
Effective Date: August 21, 1995  
Granted
- f. David P. Sieber  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement/Stipulation  
Denied
- g. Thomas Simrock  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability  
Effective Date: August 1, 1995  
Granted
- h. Joe N. Wagner  
9163 Transit Operator - Public Utilities Commission/MUNI  
Ordinary Retirement Disability/Stipulation  
Effective Date: June 1, 1995  
Granted

3. PETITION FOR REHEARING

Doreen A. Carroll  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement  
Denied

4. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Jaime B. Flores-Lovo
- b. George N. Hawthorne
- c. Suritha Jackson
- d. Armando Jovel
- e. Violet Lee
- f. Ernest P. Moore
- g. Michael Spokane
- h. Otis L. Stewart
- i. Hector R. Zelaya

5. REQUEST TO CHANGE THE CONTRIBUTION RATE (1040 HOURS MEMBER)

Dena Narbaitz

6. REQUEST FOR AUTHORIZATION FOR KAY GULBENGAY, EXECUTIVE ASSISTANT TO ATTEND THE CLIENT SERVICING FOR DEFINED CONTRIBUTION PLANS CONFERENCE TO BE HELD IN SAN FRANCISCO, CA ON DECEMBER 11-12, 1995

7. REQUEST FOR AUTHORIZATION FOR HERB MEIBERGER, BOARD MEMBERS, TO ATTEND THE REAL ESTATE INVESTMENTS FOR PENSION FUNDS CONFERENCE IN TEMPE, ARIZONA ON FEBRUARY 2-7, 1996

- ACTION:**
1. It was moved by Breall, seconded by Driscoll to approve the Consent Calendar items except 2b and 6; motion passed 6-0.
  2. It was moved by Driscoll, seconded by Breall to approve the Consent Calendar item no. 6; motion passed 5-1 (Meiberger).
  3. It was moved by Breall, seconded by Casciato to approve the Consent Calendar item no. 2b; motion passed 6-0.

## INVESTMENT CALENDAR

1. EDUCATIONAL PANEL ON EQUITY OPTIONS AND OTHER DERIVATIVES

Meeting in a voluntary educational session, the Retirement Board heard the following speakers discuss, among other topics, the financial strength of the Chicago Mercantile Exchange, typical options transactions and various options overwrite strategies:

Jerry Roberts, Vice President, Risk Management Department, Chicago Mercantile Exchange; Michael Liou, Vice President, Goldman Sachs & Co.; Dr. Michael F. Koehn, Executive Director of Research and Dr. Alan L. Lewis, Chief Investment Officer and Director of Research, Analytic Investment Management Inc.; and Jack L. Hansen, Director of Equity Investments, The Clifton Group Investment Management Co.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

## 2. CHIEF INVESTMENT OFFICER'S REPORT

### a. Proxy Votes

There were no proxy votes.

### b. Carolyn Hamilton, Chief Investment Officer, reported on the following:

- The results of annual meeting of Archer-Daniels Midland Co. were discussed.
- A letter from Capital International which stated that there appears to be every possibility of accepting an additional allocation to the Emerging Markets Growth Fund in January, 1996.
- The recent Business Week article on derivatives and Bankers Trust's response was discussed and the appointment of a new Chief Executive Officer at Bankers Trust.
- Cambridge Associates' response to the questions raised at the October 10, 1995 Board meeting about their stated Belmont II internal rate of return (which was lower than the one calculated by Fidelity) was discussed. Cambridge includes carried interest in their computation and this is why the calculated rate of return was lower for the period in question.
- Due diligence on the Master Custody search is continuing. Carolyn Hamilton, Chief Investment Officer, Richard Pickett, Portfolio Manager and Les Win, Chief Accountant, recently returned from a two-week trip interviewing Master Custody bank candidates on-site. The due diligence will continue with the candidates providing systems' demonstrations to the accounting and investment staff the week of October 30th and with visits to the local service offices of several of the candidates the week of November 6th. Staff is confident it will be able to present to the Board a list of finalists at the Board meeting of November 14, 1995. These finalists will subsequently make presentations to the Board at the meeting of November 28, 1995.
- One of the System's small cap international equity managers, Dunedin Fund Managers, announced over the weekend that the Chairman of the Board and the Deputy Chief Executive had submitted their resignations following the resignation of the Director of North American Marketing. The Retirement Board had recently approved allocating an additional \$5 million to Dunedin in view of their excellent returns compared to their benchmark. The Chief Investment Officer, however, will not complete

this transaction unless all organizational uncertainties have been resolved. There is now no guarantee that the portfolio managers who created the excellent returns will remain with Dunedin. The new temporary Chairman of the Board of Dunedin and the recently appointed Director of Investments will meet with the Chief Investment Officer on Monday, November 6, 1995 to discuss the organizational changes. The Retirement Board will be kept informed if any immediate steps need to be taken.

- The appointment of Carl Wilberg, currently Principal Investment Officer responsible for Internal Equities at CalPERS, as the new Portfolio Manager in charge of equities for the San Francisco Retirement System was announced.

## **GENERAL MANAGER'S REPORT**

Clare Murphy, General Manager, reported on and reviewed the following items:

1. Institute for the Study of Pension Systems.
2. Update on Tax Legislation.
3. Update on Election Ordinance.
4. Strategic Planning Session to be held on January 17, 1996.
5. ITT Hartford - New San Francisco Area Vice President.
6. Reported on upcoming dinners for the Board.
7. Update on the Proposed Stock Exchange Tax.

## **ACTUARY'S REPORT**

No report was made.

## **CITY ATTORNEY'S REPORT**

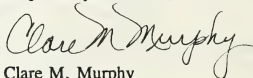
Dan Maguire, Deputy City Attorney, reported on the pending lawsuit related to physicians and dentists. He will review with the Board at a later date.

## BOARD MEMBERS

No report was made.

There being no further business, the Board adjourned its regular meeting at 2:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Clare M. Murphy". The signature is written in dark ink and is positioned above the printed name.

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Lori Krieger of Adams Reporting Services.



# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

DEC 05 1995

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, NOVEMBER 14, 1995

12:30 P.M.

Present: Herb Meiberger

Vice President

William Breall, M.D.

Commissioner

Al Casciato

Commissioner

Joseph D. Driscoll

Commissioner

Patricia Martel

Commissioner

Absent: Member of the Board of Supervisors

Supervisor

Constance M. Hiatt

President

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of October 31, 1995.

ACTION: Approved as submitted.





## **RETIREMENT BOARD**

### **REGULAR MEETING**

#### **PUBLIC COMMENT**

Vice President Meiberger reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### **REGULAR CALENDAR**

##### **1. REVIEW OF SHARED VALUES AND BEHAVIORS**

Clare Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

This is an information item only; no action was taken.

[Commissioner Martel arrived during this item.]

#### **ACTUARY'S REPORT**

Kieran Murphy, Actuary, reviewed the Police and Fire pension increase. Also Mr. Murphy reviewed a memo regarding the Probation Officers and the issues outstanding for the transfer of their service prior to September, 1990.

#### **CITY ATTORNEY'S REPORT**

No report was made.

#### **GENERAL MANAGER'S REPORT**

Clare Murphy, General Manager, reported on and reviewed the following items:

1. Ms. Murphy reported to the Board the implementation process of the new Charter Reform measure which was passed by the voters on November 7, 1995.

2. Ms. Murphy reported to the Board on the Election Ordinance which was being considered by the Government Efficiency and Labor Committee of the Board of Supervisors on November 14, 1995.
3. Ms. Murphy reported to the Board that letters will be sent to retired Police Officers and Firefighters informing them that they would not be receiving an increase in their monthly pensions for the 1995-96 year due to the survey provided by the Department of Human Resources.
4. Appointment of Kay Gulbengay to 1110 Executive Assistant to the General Manager.
5. Ms. Murphy provided the Board with a list of Educational Opportunities.

## **REGULAR CALENDAR**

(Continued)

### **2. DRAFT ANNUAL REPORT**

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken. The Board provided the staff with revisions and modifications. The Board directed the staff to make the recommended changes and to bring back the revised version of the Annual Report for final approval.

### **3. DEFERRED COMPENSATION PLAN**

#### **a. PARTICIPANT FEE COMMITTEE REPORT**

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is information item only; no action was taken.

4. DEFERRED COMPENSATION PLAN

b. STAFF RECOMMENDATION FOR PARTICIPANT FEE

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Casciato, seconded by Martel to approve staff recommendation to utilize a basis point adjustment on all accounts as the method to collect the participant fee from the participants in the Deferred Compensation Plan. This motion was made pending further negotiations with ITT Hartford to determine the level of contribution to be made by Hartford towards the administrative costs associated with the operating of the Deferred Compensation Plan and further authorizing staff to reduce the basis point adjustment based on ITT Hartford contribution. Motion passed 5-0.

Commissioner Casciato stated that we were heading in the right direction of having Hartford pay a substantial amount of the participant fee.

5. INTERIM REPORT ON FIDUCIARY INSURANCE

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken. Staff will provide updated report with further information at the February meeting.

6. SETTLEMENT REPORT ON BETTY Y. PIERCE

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Breall to approve the settlement report on Betty Y. Pierce; motion passed 4-0 (Commissioner Casciato was not present for the vote.)

## CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

1. VOLUNTARY RETIREMENT BOARD LIST NO. 9-95

2. DECISION OF HEARING OFFICER

Gary D. Tishma  
H-2 Firefighter - Fire Department  
Industrial Disability Retirement/Stipulation  
Effective Date: April 8, 1995

Granted

3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Rudy J. Castellanos

b. Julanda Griffin

4. REQUEST FOR AUTHORIZATION FOR HERB MEIBERGER, BOARD MEMBER, AND CLARE MURPHY, GENERAL MANAGER, TO ATTEND THE PUBLIC FUNDS BOARDS FORUM CONFERENCE TO BE HELD IN SAN FRANCISCO, CA ON DECEMBER 3-5, 1995

5. REQUEST TO DECLARE A SPECIAL MEETING ON JANUARY 17, 1996

6. RECORDING PROCEEDINGS OF SPECIAL MEETING ON JANUARY 17, 1996

- ACTION:**
1. It was moved by Breall, seconded by Casciato to approve the Consent Calendar items; motion passed 5-0.
  2. It was moved by Casciato, seconded by Martel to rescind the vote and Commissioner Casciato requested to remove item nos. 5 and 6; motion passed 5-0.

3. It was moved by Driscoll, seconded by Breall to approve the Consent Calendar except item nos. 5 and 6; motion passed 5-0.
4. Items 5 and 6: The Board directed staff to review for alternate dates for the Strategic Planning Meeting and to report back to the Board at a future meeting.

## **INVESTMENT CALENDAR**

### **1. PROPOSED NEW SCHEDULE FOR QUARTERLY PERFORMANCE REPORTS**

Carolyn Hamilton, Chief Investment Officer, presented a written and oral report to the Board proposing to streamline the current three meeting schedule for staff and consultant reports on the major asset categories into one comprehensive performance session.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

### **2. REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1995**

Carolyn Hamilton, Chief Investment Officer, presented a written and oral report to the Board on the performance of the aggregate portfolio which, according to preliminary estimates, gained +4.78% during the quarter and +17.52% for the twelve months ended September 30, 1995.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

### **3. REVIEW OF THE DOMESTIC FIXED INCOME PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1995**

Richard Piket, Portfolio Manager, reported the performance results for the Retirement System's domestic fixed income portfolios for the third quarter of 1995 and provide a review of the historical returns and relative composition of these portfolios.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken. Commissioner Driscoll requested that future performance reports illustrate before and after duration figures.

4. REVIEW OF THE DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1995

Mark Coleman, Security Analyst, presented a written and an oral review of the performance for the domestic equity managers.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken. Commissioner Meiberger and Carolyn Hamilton, Chief Investment Officer, thanked Mark Coleman for his interim service in the equity portfolio managers' role.

5. STAFF RECOMMENDATION ON ASSET ALLOCATION FOR THE QUARTER ENDING FEBRUARY 29, 1996

Carolyn Hamilton, Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and an oral report recommending specific allocations of income and assets to fund benefits and new investments.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Casciato, seconded by Driscoll to adopt staff recommendation; motion passed 5-0.

6. DRAFT REQUEST FOR PROPOSAL FOR DOMESTIC SMALLER CAP VALUE MANAGER AND LIST OF POTENTIAL CANDIDATES

Carolyn Hamilton, Chief Investment Officer, presented a written draft of the proposed Request for Proposal for a Smaller Cap Value Manager and a list of potential candidates identified as currently managing in this style.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Casciato, seconded by Driscoll to adopt the Request for Proposal for Domestic Smaller Cap Value Manager with modifications and additions as recommended by Board members and staff; motion passed 5-0.

7. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Carolyn Hamilton, Chief Investment Officer, reported on the following:

- The variation in the Real Estate Asset Values listed by Bankers Trust, the Custodian Bank, and Townsend Associates, the Real Estate Consultant, for the June 30, 1995, evaluation was discussed. The major reason for the different numbers was cash reserves from real estate income which Bankers Trust included in its performance measurement analysis. Brewster Wyckoff, Security Analyst, was commended for her report detailing the variations.
- The Board was updated on the situation at Dunedin Fund managers and given a detailed chronology of the personnel changes in the firm. The staff has placed Dunedin on its watch list and will continue to monitor the situation closely.

8. RECOMMENDATION OF MASTER CUSTODY FINALISTS

Carolyn Hamilton, Chief Investment Officer, presented a written and an oral report recommending that the following Master Custody Banks be selected as finalists to make presentations before the Retirement Board on November 28, 1995: Bankers Trust, Mellon Trust, Northern Trust and State Street Bank & Trust Co.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Driscoll to approve staff recommendation of the Master Custody finalists; motion passed 5-0.

**CLOSED SESSION**

Pursuant to the Ralph M. Brown Act, Government Code Section 54956.9(b)(1) and (b)(2) and the Sunshine Act, San Francisco Administrative Code Section 67.10, the Retirement Board will met in closed session. This is to be recalendared for future meeting.

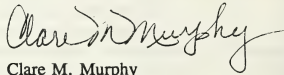


## BOARD MEMBERS

Commissioner Breall commended the Acting President Meiberger for the manner in which he conducted Retirement Board meeting.

There being no further business, the Board adjourned its regular meeting at 3:22 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Clare M. Murphy".

Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Christine Donahue of Adams Reporting Services.





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.

DEC 1 1995

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, NOVEMBER 28, 1995

8:30 A.M.

Present:	Constance M. Hiatt	President
	Herb Meiberger	Vice President
	William Breall, M.D.	Commissioner
	Al Casciato	Commissioner
	Joseph D. Driscoll	Commissioner
	Patricia Martel	Commissioner
Absent:	Member of the Board of Supervisors	Supervisor

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of November 14, 1995.

ACTION: Approved as submitted.

# 21st Century

The 21st century is a time of rapid change and innovation. It is a time when technology is advancing at an unprecedented rate, and when the world is becoming more interconnected than ever before. This is a time of great opportunity, but also of great challenge. We must embrace change and innovation, and work together to create a better future for all.

In the 21st century, we will see the continued growth of the global economy, and the emergence of new technologies and industries. We will see the rise of the digital age, and the increasing importance of the internet and social media. We will see the growth of the service economy, and the decline of the manufacturing economy. We will see the increasing importance of the environment, and the need for sustainable development. We will see the increasing importance of the arts and humanities, and the need for a well-rounded education.

We must embrace change and innovation, and work together to create a better future for all. We must embrace the challenges of the 21st century, and work together to overcome them. We must embrace the opportunities of the 21st century, and work together to seize them. We must embrace the future, and work together to create it.

## RETIREMENT BOARD

### REGULAR MEETING

#### PUBLIC COMMENT

President Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

#### REGULAR CALENDAR

##### 1. REVIEW OF SHARED VALUES AND BEHAVIORS

Clare Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

This is an information item only; no action was taken.

##### 2. STRATEGIC PLAN MONTHLY PROGRESS REVIEW

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken.

[Commissioner Martel arrived during this item.]

##### 3. UNFINISHED BUSINESS LIST

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken.

4. REQUEST FOR APPROVAL TO ENCLOSE CAMPAIGN INFORMATION WITH MONTHLY RETIREMENT PAYCHECKS TO THE RETIREES

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Martel to approve the request to enclose campaign information with monthly retirement paychecks to the retirees; motion passed 5-0.

5. DRAFT TRAVEL POLICY STATEMENT

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken. Board and staff will provide changes to the City Attorney who will prepare a second draft and bring it back to the Board.

6. ANALYSIS/LEGISLATION REGARDING COVERED COMPENSATION LIMIT

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Martel to adopt the legislation as amended and submit this legislation to the Board of Supervisors for approval; motion passed 5-0.

## GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reported on and reviewed the following items:

1. Ms. Murphy reported to the Board that ITT Hartford has advised staff that they will pick up the participant fee of \$150,000 for the calendar year 1996.

2. Updated the Board that the new Charter approved by the voters in November will go into effect on July 1, 1996.
3. Updated the Board on the status of the probation officers and will have meetings to explore and address issues.
4. Informed the Board that an amendment to the 1040 Membership Ordinance is calendared before the Government Efficiency and Labor Committee of the Board of Supervisors on November 28, 1995 which relates to physicians and dentists.
5. Reported to the Board that the internal staff budget process will begin.

### **ACTUARY'S REPORT**

No report was made.

### **CITY ATTORNEY'S REPORT**

No report was made.

### **CONSENT CALENDAR**

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

1. **VOLUNTARY RETIREMENT BOARD LIST NO. 10-95**
2. **DECISION OF HEARING OFFICER**
  - a. Patricia Anesi  
Teacher - Community College District  
Ordinary Retirement Disability  
Effective Date: October 2, 1995  
Granted
  - b. Violet K. Cheng  
2320 Registered Nurse - Public Health\San Francisco General Hospital  
Ordinary Retirement Disability  
Effective Date: October 31, 1995  
Granted

- c. Henry N. Crosby  
9163 Transit Operator - Public Utilities Commission\MUNI  
Ordinary Retirement Disability\Stipulation  
Effective Date: July 1, 1995 Granted
  - d. Patricia Cull  
7344 Carpenter - Recreation and Park  
Ordinary Retirement Disability\Vesting  
Effective Date: February 4, 1995 Granted
  - e. William J. Gay  
Q-50 Police Sergeant - Police Department  
Industrial Disability Retirement\Stipulation Denied
  - f. Genady Komarchuk  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement Denied
  - g. William F. Marweg  
0380 Inspector - Police Department  
Industrial Disability Retirement\Stipulation Denied
  - h. Bob L. McAfee  
7313 Auto Machinist - Purchaser  
Ordinary Retirement Disability  
Effective Date: January 27, 1996 Granted
  - i. John F. Walsh  
Lieutenant - Sheriff's Department  
PERS Granted
3. PETITION FOR REHEARING
- George S. Paganucci  
Q-2 Police Officer - Police Department  
Industrial Disability Retirement Denied
4. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
- Danielle R. Davis
5. REQUEST FOR AUTHORIZATION FOR CLARE MURPHY, GENERAL MANAGER,  
TO ATTEND THE RREEF ANNUAL SEPARATE ACCOUNT EDUCATIONAL  
SEMINAR TO BE HELD IN PHOENIX, AZ ON FEBRUARY 8-10, 1996

6. REQUEST FOR AUTHORIZATION FOR AL CASCIATO, BOARD MEMBER, TO ATTEND THE PUBLIC FUNDS BOARDS FORUM CONFERENCE TO BE HELD IN SAN FRANCISCO, CA ON DECEMBER 5, 1995
7. REQUEST TO DECLARE A SPECIAL MEETING ON JANUARY 19, 1996
8. RECORDING PROCEEDINGS OF SPECIAL MEETING ON JANUARY 19, 1996

**ACTION:**

1. It was moved by Driscoll, seconded by Martel to approve the Consent Calendar except item nos. 7 and 8; motion passed 5-0.
4. Items 7 and 8: The Board directed staff to review alternate dates for the Strategic Planning Meeting and to report back to the Board at a future meeting.

### INVESTMENT CALENDAR

#### 1. QUARTERLY PERFORMANCE REVIEW BY ASSET STRATEGY CONSULTING

Leslie Katz of Asset Strategy Consulting presented a written and oral report on the Retirement Fund's performance for the period ending September 30, 1995.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

#### 2. EXTERNAL MANAGER PRESENTATIONS: CAPITAL GUARDIAN TRUST CO., ARK ASSET MANAGEMENT AND DIETCHE & FIELD

Charles Hetzel and Scott Higgins of Ark Asset Management, Bob Spare and Lionel Savage of Capital Guardian Trust Co., and Lincoln Field of Dietche & Field presented written and oral reports to the Board.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

#### 3. ALTERNATIVE INVESTMENT SEMI-ANNUAL REPORT

Gary Hiatt, Portfolio Manager, and Bob Mast of Cambridge Associates presented a

written and oral report the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

[Commissioner Casciato arrived at this time.]

4. **ALTERNATIVE INVESTMENT RECOMMENDATION: TO INVEST UP TO \$30 MILLION IN THOMAS H. LEE EQUITY FUND III, L.P.**

Gary Hiatt, Portfolio Manager, and Bob Mast of Cambridge Associates, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Breall to invest up to \$30 million to Thomas H. Lee Equity Fund III, L.P.; motion passed 6-0.

5. **POST VENTURE DISTRIBUTION MANAGEMENT**

Gary Hiatt, Portfolio Manager, Brewster Wyckoff, Security Analyst, and Bob Mast of Cambridge Associates presented a written and an oral report on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken. Staff was directed to do a Request for Information to be sent to Post Venture distribution management providers.

6. **DELEGATION OF INVESTMENT AUTHORITY**

Carolyn Hamilton, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Breall, seconded by Casciato to adopt the delegation of investment authority; motion passed 6-0.



7. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Carolyn Hamilton, Chief Investment Officer, reported on the following:

- Eighty-nine Domestic Small Cap Value Equity Requests for Proposals for Small Cap Value were sent to prospective managers.
- \$45 million allocation to International Equity Managers will be received by them on November 30, 1995.

8. CUSTODIAN FINALIST PRESENTATIONS

**ACTION:** It was moved by Breall, seconded by Meiberger to recuse President Hiatt from the Custodian Finalist presentations; motion passed 6-0.

Representatives from Bankers Trust, Mellon Trust, State Street Bank and Trust, and Northern Trust, presented written and oral reports.

The Board and staff reviewed and discussed the material and engaged in a question and answer session with the representatives.

This is an information item only; no action was taken.

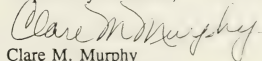
[Commissioners Driscoll and Martel left the meeting at different times during this item.]

## BOARD MEMBERS

No report was made.

There being no further business, the Board adjourned its regular meeting at 7:07 p.m.

Respectfully submitted,



Clare M. Murphy  
General Manager

**Note:** A transcript was made of the regular meeting by Cristine Donahue and Paul Schiller of Adams Reporting Services.





# MINUTES

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT

JAN 30 1996

SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, DECEMBER 12, 1995

12:30 P.M.

Present: Constance M. Hiatt

President

Herb Meiberger

Vice President

William Breall, M.D.

Commissioner

Al Casciato

Commissioner

Joseph D. Driscoll

Commissioner

Absent: Member of the Board of Supervisors

Supervisor

Patricia Martel

Commissioner

Clare M. Murphy

General Manager  
Retirement System

MINUTES: Minutes of the Regular Meeting of November 28, 1995.

ACTION: Approved as submitted.



## RETIREMENT BOARD

### REGULAR MEETING

### PUBLIC COMMENT

President Hiatt reviewed the Public Comment procedure for the attendees. No comments were made at this time.

### CLOSED SESSION

Pursuant to the Ralph M. Brown Act, Government Code Section 54956.9(b)(1) and (b)(2) and the Sunshine Act, San Francisco Administrative Code Section 67.10, the Retirement Board met in closed session.

Dan Maguire, Deputy City Attorney, reported on a matter in which he opined that there could be a substantial risk of litigation involved in this case. The Board directed staff and the City Attorney to conduct further research and to report back to the Board at the February 14, 1996 meeting.

### REGULAR CALENDAR

#### 1. REVIEW OF SHARED VALUES AND BEHAVIORS

Clare Murphy, General Manager, reviewed the list of Shared Values and Behaviors with the Board.

This is an information item only; no action was taken.

#### 2. FINAL ANNUAL REPORT

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken. Commissioner Meiberger requested that previously submitted corrections be reviewed before final submission of the annual report to the Board for action.

3. PRESENTATION OF ACTUARIAL VALUATION

Kieran Murphy, Actuary, and Catherine Cole, Towers and Perrin presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. The Board requested Kieran Murphy to provide a breakdown of rates relating to the old plan and new plan members.

**ACTION:** It was moved by Meiberger, seconded by Casciato to adopt the 1995 Plan Valuation; motion passed 5-0.

4. RECOMMENDATION OF CITY CONTRIBUTION RATES FOR FISCAL YEAR 1996-97

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Casciato to adopt the 1996-97 City contribution rates as recommended by staff; motion passed 5-0.

5. RECONSIDERATION OF CITY CONTRIBUTION RATES FOR FISCAL YEAR 1995-96

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Meiberger, seconded by Breall to adopt the 1995-96 City contribution rates as recommended by staff with the changes to be effective for the pay period as follows:

12/30/95 - 1/12/96 for PPSD payroll

12/27/95 - 1/9/96 for SFUSD payroll

12/20/95 - 1/19/96 for teachers

6. PRIOR SERVICE PRE-1983 REPORT

Maria Newport, Administrator, Retirement Services, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

7. DELEGATION OF AUTHORITY COMMITTEE REPORT

Commissioner Driscoll, Carolyn Hamilton, Chief Investment Officer, and Gary Hiatt, Portfolio Manager, presented a written and oral report recommending a streamlined and more opportunistic process to implement investment decisions than is currently being employed in order to fulfill a major goal of the Strategic Plan.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** It was moved by Driscoll, seconded by Casciato to develop an annual investment plan for the alternative investment portfolio and authorized Gary Hiatt, Portfolio Manager, to make an early commitment for up to 80% of the portfolio; motion passed 5-0.

## GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reported on and reviewed the following items:

1. Ms. Murphy provided to the Board upcoming educational opportunities.
2. Reported that the Election Ordinance was finally passed by the Board of Supervisors on December 11, 1995.
3. Reported that the Membership Ordinance relating to exempt employees was passed for second reading on December 11, 1995, and it will be on the Board of Supervisors calendar on December 18, 1995 for final passage.
4. Discussed the prospective forward calendar through April 30, 1996 and reported that the Strategic Planning Meeting is calendared for March 15, 1996.
5. Reported that the Finance Committee of the Board had been selected, and it will have its first meeting on December 20, 1995.

## ACTUARY'S REPORT

No report was made.

## CITY ATTORNEY'S REPORT

No report was made.

### CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

1. VOLUNTARY RETIREMENT BOARD LIST NO. 11-95

2. DECISION OF HEARING OFFICER

- a. Granville H. Hogg, Sr.  
8322 Senior Counselor - Juvenile Court  
PERS Granted
- b. Mark E. Hurley  
Q-2 Police Officer - Police Department  
Determination  
Effective Date: September 4, 1993 to November 30, 1993 Granted
- c. Andree A. Kavanaugh  
H-30 Captain - Fire Department  
Allowance - Death as a Result of Duty Denied
- d. Michael McNeill  
Q-60 Police Lieutenant - Police Department  
Industrial Disability Retirement  
Effective Date: December 19, 1995 Granted

3. PETITION FOR REHEARING

- Clifford Kazarian  
H-2 Firefighter - Fire Department  
Industrial Disability Retirement/Ordinary Retirement Disability Denied

4. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

- a. Joseph A. Barsse



- b. Colin A. Gardinier
  - c. Candace C. Wong
  - 5. REQUEST TO DECLARE A SPECIAL MEETING ON MARCH 15, 1996
  - 6. RECORDING PROCEEDINGS OF SPECIAL MEETING ON MARCH 15, 1996
  - 7. REQUEST TO CHANGE THE CONTRIBUTION RATE (1040 HOURS MEMBER)  
Jorge Zavala
  - 8. REQUEST AUTHORIZATION FOR GARY HIATT, PORTFOLIO MANAGER, TO ATTEND THE LIMITED PARTNER ADVISORY BOARD MEETING FOR BATTERY VENTURES TO BE HELD IN MIAMI, FL ON JANUARY 25-26, 1996
- ACTION:** It was moved by Breall, seconded by Casciato to approve the Consent Calendar; motion passed 5-0.

### INVESTMENT CALENDAR

1. QUARTERLY REPORT ON GLOBAL FIXED INCOME MANAGERS FOR THE PERIOD ENDED SEPTEMBER 30, 1995

Richard Piket, Portfolio Manager, presented a written and oral report of the performance of the global fixed income portfolios for the third quarter of 1995.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

2. QUARTERLY REPORT ON INTERNATIONAL EQUITY MANAGERS FOR THE PERIOD ENDED SEPTEMBER 30, 1995

Carl Wilberg, Portfolio Manager, presented a written and an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Commissioner Meiberger requested verification of the returns for Capital Guardian and Oechsle.

This is an information item only; no action was taken.

3. QUARTERLY REPORT ON REAL ESTATE PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1995

Gary Hiatt, Portfolio Manager, and Frank Blaschka of the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

4. REAL ESTATE MANAGER PRESENTATION: THE RREEF FUNDS

Martin L. Cannon, D. Wylie Creig and Susan Hauer of The RREEF Funds presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This is an information item only; no action was taken.

5. ANNUAL MANAGER INVESTMENT PLANS

Gary Hiatt, Portfolio Manager, and Frank Blaschka of the Townsend Group presented a written and oral report recommending approval of the 1996 Manager Investment Plans for AMB, RREEF, and Metric Individually Managed Accounts, including allocation of up to \$40 million each to AMB and RREEF and up to \$30 million to Metric.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

**ACTION:** No action was taken. The Board requested that staff further review the manager investment plan and report back to the Board in January, 1996 relating to the equity real estate allocation and leverage.

6. RECOMMENDATION OF MASTER CUSTODY BANK

President Hiatt was continued to be recused from this item since the November 28, 1995 meeting.

Carolyn Hamilton, Chief Investment Officer, Les Win, Chief Accountant, Richard Piket, Portfolio Manager, presented a written and oral report recommending that the Northern

Trust Company be selected as the Master Custodian to provide the following services: Global Custody, Cash Management and Securities Lending.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Commissioner Driscoll noted the possible potential accounting savings relating to audit expenses that might be available from Northern Trust's technology system. Additional analytical capabilities would enhance information which would assist staff in making investment decisions.

Commissioner Meiberger requested that (a) the contract ensure that the plan be allowed to participate in the selection for separate securities lending and cash management agents, (b) that the contract contain that the managers and custodian agree on pricing prior to month end reporting, and (c) requested the Plan have input in the selection into primary selection of a manager.

**ACTION:** It was moved by Breall, seconded by Casciato to approve the selection of Northern Trust Company as the Master Custodian subject to successful negotiation of terms; motion passed 4-0. (President Hiatt was recused.)

#### 7. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Carolyn Hamilton, Chief Investment Officer, reported on the following:

- RCM Capital Management was in discussion with the Dresdner Group to which RCM will be a subsidiary of the Dresdner Group.

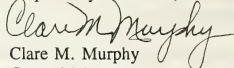
### BOARD MEMBERS

Commissioner Driscoll reported on the Public Funds meeting and provided staff with information from Plexus regarding risks attended to directed brokerage.

Commissioner Driscoll gave to the General Manager a dinner-for-two gift certificate to be given to staff member in appreciation of their hard work. Clare Murphy, General Manager, reported that this gift would be raffled at the Christmas Party.

There being no further business, the Board  
adjourned its regular meeting at 6:17 p.m.

Respectfully submitted,

  
Clare M. Murphy  
General Manager

Note: A transcript was made of the regular meeting by Cristine Donahue of Adams Reporting Services.



# CALENDAR

DOCUMENTS DEPT.

RETIREMENT BOARD  
CITY AND COUNTY OF SAN FRANCISCO  
1155 Market Street, Second Floor, San Francisco

DEC 13 1995

SAN FRANCISCO  
PUBLIC LIBRARY

## MISSION STATEMENT

*San Francisco City and County Employees' Retirement System is dedicated to securing, protecting and prudently investing the pension trust assets, administering mandated benefit programs, and providing promised benefits.*

**WEDNESDAY, DECEMBER 20, 1995**

**3:30 P.M.**

**\* SPECIAL MEETING**

**FINANCE COMMITTEE**

Joseph D. Driscoll

Constance M. Hiatt

Patricia E. Martel

## **DISABILITY ACCESS**

The San Francisco Employees' Retirement System is wheelchair accessible. Accessible seating is available for persons with disabilities. Large print copies of the agenda can be made available, American Sign Language interpreters and an FM sound amplification system are available on request; please contact Kay Gulbengay, Executive Assistant at 554-1520 at least two working days before a meeting.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Accessible parking is available at the 8th and Market Street parking lot. A "blue zone" is located adjacent to the lot. Accessible MUNI lines are the #9 and #71. The closest accessible BART/MUNI station is the Civic Center Station.

All materials to be considered or acted upon by the Board shall be available for public review 24 hours prior to the Board meeting.

### **Know Your Rights Under the Sunshine Ordinance**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6075.

For additional information, contact Kay Gulbengay, Executive Assistant at 554-1520.

## **RETIREMENT BOARD**

### **SPECIAL MEETING**

#### **FINANCE COMMITTEE**

**1. SELECTION OF CHAIRPERSON**

**ACTION:**

**2. SCHEDULE OF MEETINGS**

**ACTION:**

**3. REVIEW OF COMMITTEE CHARTER**

**4. BUDGET INSTRUCTION 1996-97**

**ACTION:**

